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Letter dated 12 December 2008 from the Acting Chairman of the Security Council Committee established pursuant to resolution 1521 (2003) concerning Liberia addressed to the President of the Security Council

On behalf of the Security Council Committee established pursuant to resolution 1521 (2003) concerning Liberia, and in accordance with paragraph 1 of resolution 1819 (2008), I have the honour to submit herewith the report of the Panel of Experts on Liberia.

I would appreciate it if the present letter, together with its enclosure, were brought to the attention of the members of the Security Council and issued as a document of the Council.

(*Signed*) R. M. Marty M. **Natalegawa**
Acting Chairman
Security Council Committee established pursuant to
resolution 1521 (2003) concerning Liberia

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Letter dated 30 November 2008 from the Panel of Experts on Liberia addressed to the Chairman of the Security Council Committee established pursuant to resolution 1521 (2003)

The members of the Panel of Experts on Liberia have the honour to enclose the report of the Panel, submitted in accordance with paragraph 1 of Security Council resolution 1819 (2008).

(*Signed*) Wynet **Smith**
Coordinator

(*Signed*) Nelson **Alusala**

(*Signed*) Tom **Creal**

Report of the Panel of Experts submitted pursuant to paragraph 1 of Security Council resolution 1819 (2008) concerning Liberia

Summary

Diamonds

For the period from 5 September 2007 to 30 September 2008, the Government of Liberia authorized exports of over 64,000 carats of rough diamonds valued at $11.9 million. The Government earned more than $277,000 in export fees and more than $663,150 in licence fees between 1 January and 30 September 2008. An individual was arrested for impersonating a Government export authority. The Ministry of Lands, Mines and Energy has been undertaking more awareness-raising activities and collaborating with Liberian Customs officials to ensure that export and import controls function more effectively. The Government Diamond Office has not yet put in place a system to protect its digital data files. Many recommendations to improve the implementation of the country's system of internal controls will require sustained efforts over the coming months and years, especially with respect to establishing control over mining activities. Regional harmonization efforts are under way and are crucial to addressing common challenges of countries in the subregion.

Forestry

Progress has been made in some areas of implementation of the National Forestry Reform Law, including the Forestry Development Authority's submission to the National Legislature of legislation on community rights with respect to forest lands. Progress in the commercial sector is more uneven. The actions of the Forestry Development Authority do not appear to be in compliance with some important requirements of the National Forestry Reform Law and its regulations regarding the process of awarding contracts for commercial timber concessions. Of greatest concern is the change made to the payment terms for three forest-management contracts after the conclusions of negotiations, which could lead to the loss of $50 million in revenue for the Government of Liberia over the course of the 25-year period of the contracts. Concerted efforts will be required to ensure that the forestry reform process continues so that the sector can contribute on a long-term basis to the development of Liberia.

Travel ban

The sanctions Committee on Liberia has de-listed Montgomery Dolo, Moussa Cisse and Charles Bright from the travel ban list since late May 2008. Charles "Chuckie" Taylor, Jr., was convicted in a federal court in Miami, United States of America, on torture, firearms and conspiracy charges. Allegations have been made that a number of individuals travelled in contravention of the travel ban, and the Panel is attempting to verify that information. Officials in some States in the region continue to claim that they are unaware of the travel ban list and stress that their ability to enforce it is limited, owing to the porosity of their borders and lack of capacity. Robertsfield International Airport has a new computer system and passport

readers that will increase its ability to monitor the movement of people. Liberia will have digitally readable passports by early 2009.

Assets freeze

The sanctions Committee on Liberia de-listed Charles Bright from the asset freeze list. Another designated individual has officially submitted a request for de-listing. The Panel anticipates many more petitions for de-listing. Many Member States have cooperated in providing financial information once the basis for the Panel's request has been established. However, once the basis for the request has been explained and justified, countries must allocate resources for the task of providing a response, and that has proved problematic at times. The need for technical assistance appears to be the biggest hurdle to providing financial information. In their recent discussions on targeted sanctions, experts and Government implementers recognized the need for the assets freeze sanctions to evolve.

Arms embargo

The borders of Liberia remain porous and are characterized by multiple informal entry points. The Panel notes that, as a result, there is great potential for trafficking in arms and ammunition between Liberia and Côte d'Ivoire. On the border, between Liberia and Guinea, minor cases of transfers of single-barrel ammunition continue to occur, and there are cases involving the alleged use of berretta-type pistols by armed robbers in Ganta, Nimba County. Previously approved exemptions of arms and ammunition for training of the Emergency Response Unit and for the armed forces have been delivered. The sanctions Committee approved an exemption for more materials for the Emergency Response Unit. All imported weapons have been marked in conformity with Security Council resolution 1683 (2006). However, markings are of inferior quality because of the tool that was used and are susceptible to rust.

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I. Introduction

1. By its resolution 1792 (2007), the Security Council decided to renew for a further 12 months the measures on arms imposed by paragraph 2 of resolution 1521 (2003) and modified by paragraphs 1 and 2 of resolution 1683 (2006) and paragraph 1 (b) of resolution 1731 (2006) and to renew the travel ban measures imposed under paragraph 4 (a) of resolution 1521 (2003). The Security Council also recalled that the assets-freeze measures on designated individuals and entities imposed under paragraph 1 of resolution 1532 (2004) remained in force. The Council had ended its prohibition on timber imports from Liberia in June 2006 and on rough diamond imports from Liberia in April 2007.

2. In its resolution 1819 (2008), the Security Council extended the mandate of the Panel of Experts on Liberia appointed pursuant to resolution 1760 (2007), and reappointed pursuant to resolution 1792 (2007), for a further period of six months to investigate and report on the implementation of the relevant sanctions measures. The Council also tasked the Panel with assessing compliance by the Government of Liberia with the Kimberley Process Certification Scheme for diamonds and its implementation of the National Forestry Reform Law of 2006.

3. On 14 July 2008, the Secretary-General reappointed the Panel of Experts on Liberia (see S/2008/459). However, only Tom Creal (United States of America), an expert on finance, and Wynet Smith (Canada), an expert on natural resources and Coordinator of the Panel, could continue. Thus, the Secretary-General appointed a new expert on arms, Nelson Alusala (Kenya). The Panel also had the assistance of a legal consultant, Jim Dube (Canada), for a two-month period.

4. The present document is the report of the Panel of Experts called for in resolution 1819 (2008), summarizing its observations and conclusions for the period from 14 July to 20 November 2008.

II. Methodology and collaboration with stakeholders

5. The Panel used established evidentiary standards to substantiate findings: fully authenticated documentary evidence or at least two credible and verifiably independent sources. Further details on methods of investigation and assessment are provided in the relevant sections.

6. In order to fulfil its mandate, the Panel undertook missions to Liberia and other countries in the subregion, as well as the European Union, India and the United States of America, between July and November 2008. Within Liberia, the Panel visited Grand Cape Mount, Grand Gedeh and Nimba counties.

7. The Panel consulted widely with the Government of Liberia, meeting with ministers and employees of a number of ministries and agencies. The Panel is pleased to report that, in general, relations with the Government remain collaborative and transparent. The Panel obtained access to a wide range of documents required to fulfil its mandate. However, the Panel notes that obtaining documentation is often a difficult and lengthy process.

8. After an initial meeting with the Permanent Representative of Liberia to the United Nations in New York in July 2008, the Panel met with the Minister for Foreign Affairs on 17 October and 12 November. At the first meeting, the Panel and

the Minister discussed the information needs of the Panel with respect to its investigations on the travel-ban and assets-freeze measures. At the second meeting, the Panel provided the Minister, the Ambassador-designate to the United Nations and a representative of the Ministry of Justice with a summary of its key conclusions in order to have an opportunity to obtain clarifications from the Government of Liberia. The Panel also requested a response to its letter of 13 October 2008 requesting information related to the travel ban and assets freeze. The Minister thanked the Panel for the briefing and instructed her staff to be sure to provide a response to the letter by 17 November 2008. Unfortunately, the response had not been received as at 21 November 2008. The Panel is following up with the Ambassador of Liberia to the United Nations.

9. The Minister suggested that the Panel also meet with relevant agencies regarding its findings and asked when the Government would be able to review the draft report. The Panel responded that it could not share the draft report, as it had obligations to the United Nations with regard to its information and findings. The Panel also believes that it would not be able to fulfil its mission of completing an independent assessment if it had to obtain the approval of the Government prior to submitting its report.

10. The Panel is grateful for the assistance provided by the United Nations Mission in Liberia (UNMIL), in terms of both logistics and the sharing of information. The Panel values its positive relationship with UNMIL, which it believes is mutually beneficial and in the interests of peace and security in Liberia and the subregion.

11. As requested by the Security Council, the Panel cooperated with the Group of Experts on Côte d'Ivoire appointed pursuant to resolution 1782 (2007). The Panel visited Côte d'Ivoire from 5 to 10 September 2008 and met with the Group, as well as with representatives of a number of Government ministries and other agencies. The Panel notes that the United Nations Mission in Côte d'Ivoire has shared information relevant to the implementation of measures in paragraphs 2 and 4 of resolution 1521 (2003), in accordance with paragraph 7 of resolution 1819 (2008).

12. The Panel undertook a mission to Sierra Leone from 21 to 28 September 2008. The Panel met with representatives of a number of Government ministries and agencies, the Special Court for Sierra Leone and the Mano River Union, and with a number of diamond exporters' agents and dealers. The Panel visited Guinea from 15 to 17 October 2008, where it held a series of meetings with Government authorities in Conakry.

13. The Panel received additional assistance from various bilateral and multilateral organizations, non-governmental organizations and the private sector. Annex I provides a list of organizations contacted by the Panel in the course of its investigations.

III. Recent developments in Liberia

14. The situation in Liberia is relatively calm, although there have been some allegations of arms movement and recruitment of youth in Nimba and Grand Gedeh counties near the borders with Guinea and Côte d'Ivoire (see sections VI and VIII below for more details).

15. By its resolution 1836 (2008), the Security Council renewed the mandate of UNMIL until 30 September 2009, recognizing the Mission's continuing and significant contribution to maintaining peace and stability in Liberia.

16. Land issues remain a source of tension and potential conflict in Liberia. However, during early September 2008, the National Legislature passed legislation that will create a lands commission. However, according to Governance Commission officials, there are concerns about both the tenure of the commission and the number of commissioners that will need to be resolved before the legislation is forwarded to the President for signature. The Legislature is likely to undertake further revisions early in 2009.

17. The Panel notes that the allocation process for an iron ore contract for Liberia's "western cluster" was cancelled in September 2008 after the initial awarding of the deposit to one of the two top bidders. The Government cancelled the bid because of allegations that the initial bidding process could have been compromised by external influence or impropriety.

IV. Diamonds

18. The Security Council lifted sanctions on Liberia's rough diamonds on 27 April 2007. Liberia has been a participant in the Kimberley Process since 4 May 2007 and began to authorize diamond exports during September 2007. In its previous two reports, the Panel summarized Liberia's system of internal controls (S/2007/689, paras. 19-25 and S/2008/371, paras. 108-113) designed to meet the requirements of the Kimberley Process Certification Scheme. These requirements include the issuance of certificates for shipments; internal controls for the export and import of rough diamonds; the maintenance and reporting of statistics; and cooperation and transparency.

19. The Panel and a Kimberley Process review visit team had both previously conducted assessments of Liberia's implementation of the Kimberley Process and made a number of recommendations. The Panel has therefore focused its current assessment on progress on outstanding issues and the recommendations made both by the Panel and by the Kimberley Process review visit team.

20. In conducting its assessment, the Panel collected information from Liberia, including by reviewing documents and digital data at the Government Diamond Office in Monrovia. The Panel also conducted a wide range of interviews and discussions with the Minister and officials in the Ministry of Lands, Mines and Energy, as well as with diamond dealers, brokers and miners. The Panel attended a meeting of the Presidential Task Force on Diamonds on 13 August 2008 and attended the Kimberley Process plenary meeting in New Delhi from 3 to 6 November 2008.

21. The Panel also conducted regional investigations and shared information on issues relating to diamonds with the Group of Experts on Côte d'Ivoire. The Panel met with representatives of the Government Gold and Diamond Office and the Ministry of Mineral Resources in Freetown and with the Government Diamond Office in Conakry. The Panel also interviewed diamond dealers and diamond exporters' agents in Bo, Kenema and Koidu Town during its mission to Sierra Leone.

A. Developments in the diamond sector

22. During the first three quarters of 2008 (1 January to 30 September), the Liberian Government Diamond Office issued a total of 55 Kimberley Process certificates, authorizing the export of 46,465.23 carats of diamonds, valued at approximately $9.3 million (see table 1). Including shipments exported during 2007, Liberia has exported over 64,164 carats of diamonds, valued at approximately $11.9 million. There has been an increase in the value per carat since the Panel's report of May 2008 (see S/2008/371). The average price had risen to $178 per carat by mid-August 2008. A few valuable stones were largely responsible for the increase, including an 18-carat pink diamond valued at over $1 million.

23. Liberia earned $277,961 from diamond export fees during the first nine months of 2008. Including the period from September to December 2007, the Government has earned a total of $357,687 from export taxes since the resumption of rough diamond exports.

Table 1
Summary of Liberian rough diamond exports

			Value	*Export tax*
Period	*Certificates*	*Carats*	*(United States dollars)*	
2007	16	21 699.74	2 657 541.58	79 726.25
First quarter 2008	18	12 315.04	1 768 875.88	53 066.28
Second quarter 2008	18	2 821.46	3 239 688.88	97 190.67
Third quarter 2008	19	17 328.73	4 256 805.38	127 704.16
Total 2008	**55**	**42 465.23**	**9 265 370.14**	**277 961.10**
Total since September 2007	**71**	**64 164.97**	**11 922 911.72**	**357 687.35**

24. As at the end of September 2008, the Ministry had issued 16 class B diamond-mining licences for industrial alluvial mining activities. The Panel does not have recent statistics on the number of class C diamond-mining licences issued to artisanal miners. However, the revenues from class C mining licences of $63,150 would indicate that 421 licences at $150 per licence had been issued during the first nine months of 2008. The Ministry also issued 20 diamond broker licences and 18 diamond dealer licences between 1 January and 30 September 2008. The Ministry had reported earnings of more than $663,150 in licensing fees from the diamond sector as at the end of September 2008 (see table 2).

Table 2
Revenues from licensing
(United States dollars)

Category of licence	*Total*
Broker	33 000
Dealer	432 000[a]
Class C	63 150
Class B	105 000
Total	**633 150**

[a] The Panel notes that there appears to be an error in this figure, as licences cost $20,000.

25. The Panel previously reported that issues had arisen regarding the implementation of import controls and that the Government Diamond Office had not been aware of the two imports made in April/May 2008 (S/2008/371, paras. 133-137). The Government Diamond Office manager has informed the Panel that the two cases of diamond imports — which were not declared at the port of entry — were investigated and that one case was resolved and the diamonds re-exported. However, the second company has not taken its parcel to the Government Diamond Office or submitted its Kimberley Process certificate for inspection, and thus the case remains open.

26. The situation regarding the package exported to Israel without a Kimberley Process certificate has not yet been resolved, although there have been ongoing discussions among those involved (see S/2007/689, para. 31 and S/2008/371, paras. 123 and 124). The Liberian Deputy Minister for Policy and Planning at the Ministry of Lands, Mines and Energy informed the Panel on 18 November 2008 that an agreement had been reached with the Israeli authorities to send a diamond valuer to Israel to digitally photograph the diamonds and issue a Kimberley Process certificate. He also stated that the Kimberley Process had approved the process.

B. Update on implementation

27. The Panel notes that there has been progress since late May 2008 on various items identified by it and the Kimberley Process review team. Some areas require further attention, although many will require long-term institutional change. Table 3 provides a summary of major developments in relation to Kimberley Process requirements and recommendations to improve the implementation of Liberia's internal control system.

28. Two advisers funded by the European Commission will work part time with the Government Diamond Office over the course of 18 months to help implement recommendations made by the Kimberley Process review visit team (see annex II for workplan timelines).

Table 3
Update on implementation of the Kimberley Process Certification Scheme

Requirement	*Implementation status*
System of internal controls	The Government Diamond Office is developing more detailed operational procedures. It refused to issue a certificate in response to a special shipment request from a non-licensed exporter. The Ministry has plans to construct some permanent regional diamond offices, although these are contingent upon funding. Of the two import cases documented previously, one has been resolved and the shipment re-exported; the second company has never brought in its diamonds or certificate. The Government Diamond Office and Customs officials are collaborating to develop procedures for use by Customs officers
Consider further options for internal control system	The Liberian computerized database requires revisions (which are pending). The Government Diamond Office does not yet have a system in place to back up its data
Rule of law	The Ministry had one individual arrested for posing as a diamond export authority
Collect and maintain production, import and export data	The Government Diamond Office has a digital database and maintains export statistics. It has no production data, although it is now collecting statistics at regional diamond offices
Cooperation and transparency	The Government Diamond Office has continued to share experiences and to cooperate with other participants
Administrative matters	Liberia submitted its annual report to the Kimberley Process

Improving implementation of internal controls

29. The Panel notes that a number of the issues which were considered to pose threats to the integrity of Liberia's system have been resolved. For example, the contract with an independent valuer to provide a third-party assessment was finalized and signed. The problem regarding the payment of staff was resolved late in May 2008, and staff members have received their increased pay packages. However, the budget line item for diamond office employees and the independent diamond valuer was reduced by the Legislature in August 2008, and this situation continues to cause some concern to those involved.

30. A number of recommendations were made with regard to improving the implementation of Liberia's system of internal controls, including the need to revise and expand the procedures of the Government Diamond Office, develop a personnel

manual, revise job descriptions and develop a manual for use by Customs officers. The Panel has been informed that work on the manuals is under way and that job descriptions for regional diamond officers have been revised.

31. The remaining regional diamond offices have not yet been established. The Minister assured the Panel on 19 November 2008 that the Ministry of Lands, Mines and Energy had developed plans to construct those offices and will fund them through UNMIL quick-impact project money, if available, or using its own funds. There does not yet appear to be a definite plan to locate a regional diamond office in Sinoe County.

32. The Panel was informed of some incidents at Robertsfield International Airport in which exporters encountered problems with personnel who wanted to verify what was in their parcels after they had been inspected by the relevant Customs officers. In an attempt to stop such incidents and improve knowledge of the system, the Government Diamond Office has collaborated with Customs officials to provide more training. They have also produced posters and installed them in both the arrival and the departure halls at the airport (see annex III).

33. The Government Diamond Office has been holding a series of workshops to increase awareness of the Kimberley Process and Liberia's system of internal controls. They included a two-week retraining exercise for regional officers that was attended by seven representatives of the Gold and Diamond Miners and Workers Union of Liberia. The training was on basic classification and valuation skills, as well as Kimberley Process procedures and awareness-raising regarding importance of a regulated diamond industry. The representatives of the Gold and Diamond Miners and Workers Union of Liberia were included with the intention of training them as trainers, and the organization held its own week-long training workshop from 17 to 21 November 2008, in which more than 100 people participated (see annex III).

34. The Diamonds for Development project of the United Nations Development Programme (UNDP) provided support for those workshops and also worked with the Government Diamond Office to develop scripts for the recording of a Kimberley Process audio manual. It also provided funding for the production of 400 cassettes of the audio manuals, which were distributed throughout the regional diamond offices. It also hopes to fund two or three more training workshops in strategic mining areas during the first quarter of 2009, funding permitting.

Reporting, data issues and administrative matters

35. Liberia attended the Kimberley Process intersessional meeting held in June 2008 and the plenary meeting held in November 2008 in India. The Ministry of Lands, Mines and Energy has provided its annual report to the Kimberley Process.

36. The Ministry has also provided statistical data to the Kimberley Process, but it continues to use export statistics as production statistics. To address the absence of production data, the Government Diamond Office has recently instituted a separate recording procedure for rough diamonds at the regional diamond offices in an attempt to create more realistic production figures. However, it is not clear to the Panel how those statistics will differ from the vouchers issued by regional officers to miners.

37. As noted in the previous report, the Government Diamond Office has a digital database. The Panel has reviewed data entry with the database staff and notes that the database still requires adaptation to meet the needs of the Government Diamond Office, such as the entry of data on large volumes of industrial diamonds where the exact number of diamonds is not known. Database staff are currently inputting information using Excel spreadsheets to ensure they have a complete record of export statistics. A visit by database creators to modify the database and provide further training to staff in the Government Diamond Office is pending.

38. During two visits to the Government Diamond Office (20 October and 18 November 2008), the Panel noted that the server was down. During discussions with the database staff and with a computer technician on 20 October, the Panel was informed that, although the Ministry had purchased a voltage regulator in March 2008 following the Government Diamond Office fire, it had not been installed and was thus not able to protect the server from current fluctuations. The technician pointed out that the external hard drive in the office was connected only to the identity card system supplied by De Beers, and was not being used to back up the entire system. The Panel informed the Minister during a meeting on 19 November 2008 that it was concerned that the Government Diamond Office still did not have a back-up system in place for its digital data and that its system thus remained vulnerable to the loss of its entire information base.

39. The Panel and the Kimberley Process review team both recommended that Liberia invite a follow-up visit within a year in order for progress to be reviewed. The Minister and the Deputy Minister informed the Panel that they would invite a review team to visit in March 2009 and that they intended to send the invitation by the end of November 2008.

40. The Panel noted an error in the third-quarter export statistics, which had over-reported exports to the Czech Republic by $150,000, and informed the Manager of the Government Diamond Office.

Rule of law

41. Both the Panel and the Kimberley Process stressed the need for strengthening the rule of law. However, the Panel notes that the establishment of full State control, improved collaboration and law-enforcement training are broad-based challenges for Liberia that will take years to address. However, there have been notable developments since May 2008.

42. Within the Government Diamond Office, understanding of the need to implement the law appears to have improved. The Panel saw a copy of a special shipment request similar to that documented in the previous report (S/2008/371, para. 127). In this case, the Manager of the Government Diamond Office denied the request for export of diamonds by the unlicensed exporter, as it was contrary to Liberia's requirements.

43. The Panel was informed by the Ministry of Lands, Mines and Energy that a Liberian had been arrested for falsely representing himself as a Government diamond export authority and issuing false certificates (see annex IV). The Panel notes that the action of the Ministry demonstrated a concerted effort to address a major infraction of the mining law. However, the outcome of the case is uncertain, given the capacity challenges within the Ministry of Justice, which is burdened by a

wide range of criminal cases. The Panel has not been able to obtain information on the status of this case from the Ministry of Justice, although the Deputy Minister of Lands, Mines and Energy has informed the Panel that the individual has been released on bail.

C. The broader context

44. The Panel takes note of the fact that, in its resolution 1842 (2008), the Security Council renewed sanctions on the import of rough diamonds from Côte d'Ivoire. During the annual meeting of the Kimberley Process in November 2008, the plenary reviewed progress on the Brussels Initiative on diamonds from Côte d'Ivoire and noted the need to further strengthen internal controls in neighbouring countries and to engage non-Kimberley Process participants as well.

45. The Kimberley Process review team had recommended review visits to Guinea and Sierra Leone. The Panel notes that the review team visited Guinea in August 2008 and that Sierra Leone has invited a review visit for 2009.

Harmonization

46. The Kimberley Process review team and the Panel both recommended more work on regional harmonization. The Panel notes that regional efforts to address implementation challenges include the activities of the Kimberley Process Working Group on Artisanal and Alluvial Production, which has published inventories of progress achieved under its action plan, with a recommendation that they be updated every six months. The Panel also notes the findings of the 2008 Belgian-funded Egmont Study on artisanal diamond mining regarding the need to find bottom-up solutions to problems.

47. The Liberian Minister of Lands, Mines and Energy informed the Panel in September 2008 that he considers regional harmonization important and that his Ministry will be working to ensure harmonization on taxes, royalty fees and other issues with countries neighbouring Liberia. Officials from the Ministry of Mineral Resources and the Government Gold and Diamond Office of Sierra Leone and from the Ministry of Mines and Geology of Guinea also have stressed the importance of harmonization issues.

48. The Diamonds for Development programme of UNDP, which has funding from the Government of Belgium, has focused part of its efforts on the harmonization of mining policies in the subregion. It funded an expert group meeting of technicians from the four Mano River Union countries, held in Monrovia on 9 and 10 June 2008, which examined harmonization issues, as well as challenges faced by small-scale diamond-mining sectors in the four countries. The technical experts noted that the harmonization agenda needs to be addressed at the political level of the Mano River Union if issues are to be moved forward. The main recommendations of the group included the need to harmonize and increase taxes (royalties), given that the current 3 per cent rate is the lowest among diamond-producing countries on the continent.

49. Government diamond officials from Liberia, Côte d'Ivoire, Guinea and Sierra Leone also met in a side meeting during the Kimberley Process plenary meeting in India early in November 2008. They continued their discussions on how to move

forward on issues of common concern, and the Director of Mines of Sierra Leone made a commitment to taking the lead on developing a strategy towards that end.

50. Those various initiatives are important, especially in the light of frustrations expressed by the Liberian Diamond Dealers Association about the decision of the Government of Liberia to retroactively implement a 4 per cent tax on their gross sales. The dealers also informed the Panel that the requirement for a tax clearance was affecting their ability to renew their diamond dealer licences and that unequal tax regimes in the subregion could pose a threat to the functioning of Liberia's relatively new Kimberley Process system.

Cross-border traffic in rough diamonds

51. The Kimberley Process Working Group on Statistics recently noted that, although a recent statistical analysis of West African rough-diamond production set out production and trade statistics, it did not present information on cross-border traffic in rough diamonds. In Liberia, some exporters continue to express concern about smuggling, however, especially given current economic conditions, which can provide an incentive to avoid the costs of doing business legitimately.

52. In Guinea, the Director-General of the Ministry of Mines and Geology expressed the view that the Kimberley Process had considerably diminished diamond smuggling in and out of Guinea. In Sierra Leone, officials at the Ministry of Mines stated they did not think smuggling out of the country was taking place because of the high prices offered for diamonds in the country; however, a technical adviser noted that they did not have a sense of whether rough diamonds were being smuggled into the country.

53. During interviews with exporters' agents and dealers in Sierra Leone, most interviewees expressed the belief that cross-border smuggling of diamonds was no longer a huge problem, as the risks of operating outside the system were too great for licensed operators. However, one dealer stated that diamonds were definitely still crossing the border, although many were not of sufficient quality to induce people to purchase them. He admitted that it was easy to launder diamonds into the system as it was necessary only to use an existing diamond mining licence number on the required paperwork in order to make diamonds appear legitimate.

Kimberley Process issues

54. Both the Kimberley Process review visit team and the Panel recommended that the Kimberley Process develop procedures for dealing with problematic shipments (S/2008/371, para. 218). The Panel notes that the Kimberley Process has discussed, but not yet developed, guidelines for participants in dealing with problematic shipments.

55. The Panel notes that the November 2008 Kimberley Process communiqué acknowledged that the diamond sector is an important catalyst for reducing poverty and meeting the requirements of the Millennium Development Goals and encouraged the provision of support and technical assistance to the producing countries to develop appropriate programmes and policies.

56. The Panel notes that the Kimberley Process review team also recommended building civil society capacity. Civil society organizations in the region are actively engaged in promoting Kimberley Process implementation in the Mano River Union

countries to ensure that the diamond sector plays a role as a catalyst for development.

V. Forests and the timber sector

57. The Security Council initially allowed timber sanctions to expire on 21 June 2006 and confirmed their lifting once Liberia enacted the National Forestry Reform Law in October 2006. The National Forestry Reform Law and the 10 core Forestry Development Authority (FDA) regulations, signed into effect on 11 September 2007, now constitute the legal framework for forest management in Liberia. In its resolution 1819 (2008), the Council stressed that Liberia's progress in the timber sector must continue with the effective implementation and enforcement of the National Forestry Reform Law.

58. The Panel has built on its previous assessments in the areas of community rights, conservation and commercial forestry (see S/2007/689 and S/2008/371). However, given ongoing developments, the Panel has focused predominately on the commercial concession allocation process during this mandate. As the National Forestry Reform Law specifies that the Forestry Development Authority must adhere to the provisions of the Public Procurement and Concessions Act in its allocation of commercial timber concessions, the Panel has also examined the implementation of its major provisions related to concession allocation.

59. To gather information, the Panel consulted with a broad range of interlocutors, including the Managing Director and various employees of FDA, other Government ministries and agencies, members of the National Legislature, international technical advisers, non-governmental organizations and the private sector. During September 2008, the Panel received a response from FDA to its letter of 8 April 2008. The Panel also submitted follow-up requests for further information and received those documents promptly.

A. Community rights and conservation

60. The National Forestry Reform Law contains a number of requirements with regard to community rights and the conservation of biodiversity.

61. FDA was required to submit a community rights law with respect to forest lands to the National Legislature by October 2007. While it did not meet that deadline, it did submit a nine-page bill to the President late in July 2008, and that was submitted to the National Legislature. The submission of that bill to the Legislature satisfies the requirement of the National Forestry Reform Law.

62. The Senate and the House passed legislation on community rights with respect to forestry lands early in September 2008. However, the legislation passed by the National Legislature is a 32-page version, rather than the 9-page version submitted by FDA. The legislation has not yet been sent to the President, who can sign or veto it.

63. There are a number of concerns about both the content and the process that led to passage of the 32-page version of the community rights law. Various stakeholders have expressed concerns that, while it provides communities with ownership rights,

it is also very prescriptive, and may prove too burdensome for FDA and communities. The legislation may also contradict the Government's broader strategy for dealing with land tenure issues, such as the creation of a lands commission. It is not yet clear what will happen with regard to the legislation once the Legislature resumes early in 2009.

64. The National Forestry Reform Law requires the creation of a protected area network to cover at least 30 per cent of the forested area of Liberia. The network is not yet fully in place. The Global Environment Facility has provided $750,000 to assist with the establishment of three protected areas. A national consultation was held on 11 September 2008. The Consolidation of Liberia's Protected Area Network project was launched in Robertsport, Grand Cape Mount County, on 18 October 2008. The funding requires cofinancing from the Government of Liberia, which has not yet been confirmed. The Global Environmental Facility secretariat has approved a supplementary grant of $950,000, which will expand the number of new protected areas to five.

65. FDA is finding it difficult to manage the existing protected areas. There are problems with incompatible land use in Sapo National Park, where miners and hunters continue to carry out illegal activities, often with the consent of local communities, the involvement of local officials and the participation of local youth. Nor has FDA returned to the East Nimba Reserve to complete demarcation since its clash with locals early in 2008. Similar problems will be faced in new protected areas where there are pre-existing land-use practices.

66. FDA was required to develop and submit legislation on wildlife conservation and protection to the Legislature by October 2007. A World Bank-funded consultant has developed an initial draft comprehensive framework law for wildlife conservation and protection. The Managing Director of FDA estimated a submission date of December 2008 in his letter to the Panel of 6 June 2008.

B. Awarding of commercial timber concessions

67. The National Forestry Reform Law defines the process for awarding forest resource licences, including timber sales contracts (areas of up to 5,000 hectares) and forest-management contracts (areas of 50,000 to 400,000 hectares). In order to participate in the process, companies must be pre-qualified so that they can be entitled to bid on commercial timber concessions. The allocation process involves three main phases: (a) planning; (b) bid document preparation and bid invitation; and (c) bid evaluation, due diligence and contract awarding. In their entirety, those various requirements are intended to ensure that the allocation of commercial timber concessions is carried out in a transparent and fair manner, which should increase revenues for the Government of Liberia.

68. FDA is responsible for the planning and administering of the concession allocation process, except for bid evaluation and awarding and, in the case of forest-management contracts, the approval and execution of contracts. Other ministries and Government agencies have responsibilities for some aspects of planning and oversight, as well as the awarding of contracts.

69. As at mid-November 2008, FDA had advertised seven timber sales contracts and seven forest-management contracts. The Panel has previously reported on the

bidding process for six timber sales contracts and three forest-management contracts (S/2008/371, paras. 146-192). On 15 October 2008, FDA issued an invitation to bid on four large forest-management contracts covering a total of 771,390 hectares, which represents one third of the total area available for commercial logging, and one timber sales contract (see annex V). Table 4 provides a summary of the Panel's assessment of the commercial timber allocation process for all 14 timber sales and forest-management contracts.

70. The Panel notes with concern that, while the general framework of the National Forestry Reform Law is being used to plan and allocate timber concessions, FDA is often either not aware of the legal requirements or unable to follow them. As a result, the allocation of timber concessions is being conducted in a manner that is often not in conformity with the National Forestry Reform Law and regulations, or the Public Procurement and Concessions Act. Non-compliance can have a number of negative effects, ranging from delays in contract issuance to loss of revenues and legal challenges. These effects are discussed in further detail below in relation to specific events of non-compliance.

Pre-qualification of logging companies

71. Pre-qualification is required for companies seeking to bid on commercial forest resource licences, including timber concessions. The pre-qualification panel has now completed three rounds of reviewing applications and has announced a fourth phase of pre-qualification. In its second report, of 4 July 2008, it announced that it had pre-qualified 15 and provisionally pre-qualified 8 companies out of 37 applications submitted. As in its first report, the pre-qualification panel recommended that the FDA take a decision on the third-phase Forestry Concession Review Committee recommendation regarding debarment. The panel had not released its third report as at 20 November 2008.

Table 4
Assessment of the allocation process for commercial timber concessions

Requirements	*Timber sales contracts*	*Forest-management contracts*
Annual concession plan	No	No
Pre-feasibility	Yes	Yes
Public consultation	Yes	Yes
Certificate of concession	No	No
Bid document preparation and approval	Yes, for six; no, for pine plantation contract	Only partial compliance: bid documents for four forest-management contracts were not approved prior to issuance of invitation to bid
Appropriate advertisement	Yes	There was no international advertisement for the five forest-management contracts over 100,000 hectares

Requirements	*Timber sales contracts*	*Forest-management contracts*
Bid opening	Yes	Yes
Bid evaluation	Yes	Yes, but panel used scoring system with no legal basis
Due diligence	Yes	Yes, but little known about financiers
Awarding of contract	Yes, three awarded; three others were contingent upon companies supplying proof of capital	Yes, but a company has challenged the awarding of one contract and the responsible entity has ruled in their favour
Negotiation of contracts	Yes, three negotiated	Yes, three negotiated
Execution of contract	Three signed; three others not signed, as companies have not demonstrated sufficient capital	Three prepared but not yet executed; however, someone made changes to land rental bid payment terms which could cost the Government of Liberia $50 million over 25 years
Invoices and fees due	Invoices issued by Société Générale de Surveillance for three timber sales contracts. All fees due have been paid	No fees yet due, as contracts not in effect; however, an FDA official has sent a letter outlining payment timelines

72. The Panel notes that many concerns have been raised about the qualifications of companies bidding on concessions. The pre-qualification panel has failed to set pre-qualification standards, has not succeeded in screening out unqualified companies and has not identified and vetted all significant individuals. It has also pre-qualified companies in three forest management contract categories, although the regulation defines only two. A more effective pre-qualification process would help foreclose problems in the bidding process.

Planning for concession allocation

73. The concession allocation process includes planning and approval of all concession areas. The Ministry of Planning and Economic Affairs is responsible for the development of a national annual concession plan. The Panel wrote to the Minister of Planning and Economic Affairs on 21 October 2008 and met with the Chief of Staff on 13 November 2008 in an attempt to ascertain whether the annual timber concession plan had been developed for 2008-2009. The Ministry has since informed the Panel that the 2008-2009 timber concession plan has not been prepared.

74. FDA must identify potential concession areas in its National Forest Management Strategy, conduct pre-feasibility studies for each concession area and undertake community consultations. FDA has prepared justification documents for

at least 13 timber concession areas (the Panel has not seen any documentation relating to the seventh timber sales contract). The Panel notes that the FDA letter of 6 June 2008 had stated that it had not been possible initially to plan and manage the process for awarding contracts owing to unknown time frames and the necessity of involving a wide range of stakeholders.

75. After completion of those various steps, FDA must submit a request to the Ministry of Planning and Economic Affairs for the issuance of a certificate guaranteeing that a project is qualified to be the subject of a concession process. The Ministry of Planning and Economic Affairs has confirmed that certificates for concession have not yet been issued for any timber concession areas. The Assistant Managing Director of FDA informed the Panel that certificates had not been obtained as FDA staff thought that they were to be obtained just prior to logging activities, rather than prior to the bidding process.

76. FDA must also submit concession procurement plans for each concession area to the Public Procurement and Concessions Commission. On 21 October 2008, the Panel wrote to the Public Procurement and Concessions Commission requesting information on whether the plans had been submitted, and met with the Executive Secretary on 13 November 2008. In his written response of 17 November 2008, the Executive Secretary confirmed that FDA had not submitted concession procurement plans.

Bid documents and invitations to bid

77. FDA must fulfil the requirements of the Public Procurement and Concessions Act with regard to the development of concession bid documents. The procurement unit is responsible for the development of concession bid documents. The documents must be submitted for review and approval by the Inter-Ministerial Concessions Committee, which establishes a technical team to review them. Those activities must take place before FDA issues an invitation to bid.

78. FDA has developed bid documents for the first six timber sales contracts and three forest-management contracts. The documents refer to annual payments of the land rental bids made by companies and have been approved by the Inter-Ministerial Concessions Commission. FDA has drafted bid documents for the next four forest-management contracts and one timber sales contract. In the draft documents for the four forest-management contracts, changes have been made to the terms of payment for the land rental bids so that a one-time payment would be made. Those documents have not yet been approved by the Inter-Ministerial Concessions Committee. The Chair of the FDA Board of Directors informed the Panel on 19 November 2008 that the allocation process for the four forest-management contracts is now under intensive review by the Board of Directors.

79. According to the National Forestry Reform Law, all concession bidding processes must be advertised according to certain standards. In the case of timber sales and forest-management contracts for less than 100,000 hectares, rules for national competitive bidding apply. Forest-management contracts for 100,000 hectares and more are subject to international competitive bidding rules. Under the Public Procurement and Concessions Act standards, national competitive bidding requires advertisement in national newspapers. International competitive bidding provides for at least a six-week bidding process and advertisement in both national and international media with adequate circulation to attract foreign competition.

80. The Panel notes that FDA has advertised only in national newspapers for all 14 contracts. FDA has failed to advertise in any international media for the five forest-management contracts for areas greater than 100,000 hectares. Such non-compliance is problematic for a number of reasons. In addition to undercutting the rule of law, the lack of international advertisement reduces the size and quality of the bidding pool and lessens the likelihood that companies with financial and technical capabilities will apply. If less qualified companies apply, there is an increased risk of revenue losses for the Government of Liberia, in both the short and the long term, as bid prices may be lower and companies winning concessions may be unable to fulfil their contractual obligations.

81. The Panel also takes note of the fact that FDA should not have advertised the invitation to bid for the four forest-management contracts and one timber sales contract in mid-October 2008, as the bid documents had not been approved by the Inter-Ministerial Concessions Committee. That action appears to be contrary to the requirements of both the Public Procurement and Concessions Act and FDA regulation 104-07.

82. Following the bidding period, FDA must hold a bid-opening ceremony at which bids are announced. Such a process was carried out in the case of the six timber sales contracts and the initial three forest-management contracts.

Evaluation and awarding of timber concessions

83. A bid evaluation panel must evaluate the bids submitted for each concession area. The bid evaluation panel completed its review of the bids submitted by 10 companies for the three forest-management contracts and recommended winners in its report of 11 July 2008. In accordance with legal requirements, bid evaluation criteria can include only the status of the company and information as to whether a bidder has met substantive and procedural requirements and whether the bid is equal to or greater than the reserve bid. However, during its evaluation of the three forest-management contracts the bid evaluation panel used a scoring method that has no basis in law (see annex VI). Nor did the scoring method make economic common sense. For example, a company which submitted a manager's cheque (similar to a cashier's cheque or bank draft) rather than surety as a bid bond (a distinction not made in law) was awarded additional points sufficient to compensate for having the second-highest bid ($358,000 less per year than the highest bid).

84. The bid evaluation panel recommended the second-highest bidder (out of seven bidders) for forest management contract "A". The two smaller contracts had only three bidders, and the bid evaluation panel awarded one contract to the highest bidder and the second to the second-highest bidder (the third bidder was not qualified to bid in this category and did not submit completed forms). The bid evaluation panel's report was forwarded to the Inter-Ministerial Concessions Committee by FDA.

85. FDA appointed an internal committee to conduct due diligence on bidding companies, as legally required. As a result of its investigations of the bidders for the six timber sales contracts and three forest-management contracts, the due diligence committee found problems with all nine provisional winners of contracts. It found that none of the companies bidding on the three forest-management contracts had all of the technical and financial capabilities required by law and that there had been material changes in ownership of three companies, rendering their pre-qualification

certificates invalid (see annex VII). The committee also noted that virtually nothing was known about the companies providing almost 100 per cent of the financing to two of the bidders that were subsequently named preliminary winners. The committee expressed concern that each of the bidders was to be funded 100 per cent by debt. None of the companies had any equity cushion, making the chance of failure high. Nor did any of the companies have any experience with logging.

86. The Public Procurement and Concessions Act requires that a contract be awarded to the highest bidder meeting all pre-qualification requirements. The Inter-Ministerial Concessions Commission met at the beginning of September 2008 and awarded contracts to three companies. In the case of two forest-management contracts, it awarded them as recommended by the bid evaluation panel. For the third area, forest management contract "A", it awarded the contract to the Alpha Logging and Wood Processing Corporation, rather than to Global Wood, the company recommended by the bid evaluation panel.

87. The Inter-Ministerial Concessions Committee appointed negotiation teams to conduct negotiations on behalf of the Government, as required by law. Teams have negotiated three timber sales contracts and three forest-management contracts. The three timber sales contracts, which include a provision to raise $250,000 in capital, have been signed by FDA and the companies. The Inter-Ministerial Concessions Committee sent letters to the two companies that won the three other timber sales contracts stating that they had to identify $250,000 in capital for each area within 90 days, a period that ended in October 2008. Neither company has met that deadline for submitting proof of sufficient capital.

88. FDA, the Ministry of Justice, the Ministry of Finance and the companies signed the three forest-management contracts early in October 2008. However, forest-management contracts do not come into effect until they have been signed by the President and ratified by the National Legislature. The Panel has been informed that the President has not signed the forest-management contracts, as she would like further due diligence to be conducted.

89. After the conclusion of negotiations but before the submission of the version sent to the President, the terms of the contracts were changed. While the National Forestry Reform Law and FDA regulation 107-07 do not specify the payment terms for the land rental bid, the bid documents specified that the land rental would be paid each and every year for the 25-year life of the contract, as noted above. The bids received from the company reaffirmed that the payment would be made annually (see annex VIII). Negotiation team members have confirmed that they negotiated annual payments, in accordance with the terms of the bid documents.

90. However, the contract signed by FDA, the Ministry of Justice and the Ministry of Finance and submitted to the President provides for a one-time-only payment. This unauthorized change after the conclusion of the negotiations appears to be a serious violation of the National Forestry Reform Law and the Public Procurement and Concessions Act.

91. The Panel notes that this change in the contracts would have a significant impact on Government revenues. The one-time-only payment is for the same amount as the company would have had to pay to the Government for only one year of the 25-year contract. That is to say, payments in years 2 through 25 were eliminated without any increase in the payment due in year 1. This change would

amount to an annual loss of over $2 million for each of the 24 remaining years, with the loss for the 25 years totalling just under $50 million (see table 5).

Table 5
Differences in Government revenue resulting from change in terms of contract

Concession	*Area (hectares)*	*Bid fee*	*Annual fee*	*Fee for 25-year period*	*Government loss*	*Community and county loss (each)*
		United States dollars				
Forest management contract A	119 240	10.05	1 198 000	9 959 000	28 761 000	8 628 000
Forest management contract B	57 262	5.06	290 000	7 244 000	6 954 000	2 086 000
Forest management contract C	59 374	9.60	570 000	14 250 000	13 680 000	4 104 000
Total			**2 058 000**	**51 452 000**	**49 394 000**	**14 818 000**

92. The loss in revenue would also affect communities and counties, as they are each entitled to 30 per cent of land-rental fees. The accumulated losses from the three forest-management contracts would total more than $14 million for the communities and more than $14 million for the counties over the 25-year period (see table 5).

93. The FDA Board of Directors was not aware of the change until the contracts had been forwarded to the President. However, the Chair of the Board of Directors has assured the Panel that it is now conducting a review and will recommend that the President refrain from signing the three contracts.

94. The lack of familiarity with and understanding of the requirements of the National Forestry Reform Law and its regulations is evident in a letter dated 8 October 2008 from the national authorizing officer of FDA to the three companies awarded forest-management contracts (see annex IX). The letter states that the contracts have been signed and that the appropriate fees are due within specific time frames. Given that the contracts are not in effect, the letter and its notice about payments have no basis in law. In addition, the time frames given are incorrect and would not be in compliance with legal requirements. Although the letter states that the administrative and area fees must be paid within 30 days (and before 6 December 2008), FDA regulation 107-07 requires that administration and area fees be paid upon signing (by the President). The national authorizing officer had also prevailed upon the chain of custody contractor to issue invoices which then had to be retracted.

95. A company has already challenged the awarding of one of the forest-management contracts. Global Wood submitted an appeal to the Public Procurement and Concessions Commission, which has the power to undertake independent reviews of appeals related to the concessions process through its complaints, appeals and review panel. The appeal panel's decision of 7 November 2008 overturned the Inter-Ministerial Concessions Committee's decision on forest management contract "A", stating that it had found procedural deficiencies in the bid evaluation, the due diligence and the awarding of the contract by Committee.

Overall assessment of compliance with allocation process

96. It is the Panel's assessment that the forestry reform process for commercial timber concessions is currently not functioning as efficiently as desired and that concerted efforts are required to put it on the right track.

97. In its poverty reduction strategy, the Government of Liberia identified the timber sector as an important contributor to economic development and stated that concession revenues would be used to promote public welfare through investments in roads, education, health care and water. The Government projected $24 million in revenues for the 2008/09 fiscal year, with an increase to $36 million for the 2009/10 fiscal year. However, the slow and rocky start will result in significantly reduced revenues this fiscal year. As at 14 November 2008, only one company with a timber sales contract was moving towards felling operations for the 2009 logging season. In addition, the three forest-management contracts are likely to be delayed as a result of the changes to the contracts that would cost the Government $50 million in revenue and, in the case of one contract, the ruling on the awarding process.

98. Thus, the trend in decision-making that has argued for the short-circuiting of the National Forestry Reform Law to facilitate economic development, although it may appear to be in the short-term interests of the country, will actually result in less revenue from this sector in the long term. In other words, the rush to allocate timber concessions and generate revenues for the country has not been an effective strategy for jump-starting the timber sector.

99. The Panel notes that there are still fundamental problems with management in FDA and capacity to understand and implement the National Forestry Reform Law. However, rather than learning from its previous mistakes, FDA appears not to have reviewed its internal procedures to ensure that it undertakes the appropriate planning process for each activity. Instead, it has commenced new allocation processes without correcting past mistakes and, in some instances, made errors that appear to be more fundamental breaches of the National Forestry Reform Law, its regulations and the Public Procurement and Concessions Act.

100. Although the forestry reforms may appear onerous, they were developed to help ensure that Liberians benefit from the use and development of their forest resources. A carefully developed strategy and checklist of requirements could help guide FDA and other stakeholders through the concession allocation process so that the goals of the forestry reform process are realized.

C. Other commercial forestry activities

101. FDA is also tasked with implementing the National Forestry Reform Law and regulations with regard to other commercial forestry issues.

Abandoned logs

102. As noted in the Panel's report of 27 May 2008 (S/2008/371, paras. 173-183), FDA regulation 108-07 establishes a general framework for the auction of abandoned logs. The Panel noted that the Government of Liberia had commenced auctioning abandoned logs and that some decisions had been made that appeared to contravene FDA regulation 108-07. On 17 June 2008, the non-governmental organization Global Witness wrote to the President and the Managing Director of

FDA, and the export of 1,305 m^3 of ekki wood was stopped. The FDA Board of Directors undertook an assessment of the auction process.

103. The Panel has obtained the report of the Board of Directors to the President, as well as copies of invoices and cheques deposited by Unitimber, the winner of the auction of approximately 3,897 m^3 in Buchanan, Grand Bassa County. The Panel notes that the Board of Directors concluded that FDA did not exercise sufficient care in disposing of abandoned logs, that the auction by the court was not conducted effectively and that the invoice provided by FDA was incorrect (in relation to both volume and stumpage fees). The Board of Directors noted that the misclassification of ekki wood as class C resulted in Unitimber's paying only 25 per cent of the stumpage fees it should otherwise have paid. That report was presented to the President and the recommendations were adopted by the Cabinet.

104. FDA reclassified the ekki wood in Buchanan as class A, as set out in schedule I of FDA regulation 107-07. As a result, the stumpage fee payment was increased from 2.5 to 10 per cent. FDA set the market price at $137 per m^3 and requested that Unitimber pay the 10 per cent stumpage fee on the merchantable volume of 7,072 m^3, as required by FDA regulation 107-07. FDA issued a new invoice for an additional $62,689.77 in stumpage fees, bringing the total stumpage fees paid by Unitimber to $96,891.37. As recommended by the Board of Directors, FDA issued a new export permit for the 1,305 m^3 originally scheduled for export in May 2008, and Unitimber has paid 10 per cent export fees of $25,317.58 on this volume. The wood was exported on 3 September 2008 on a ship to Bayonne, France.

105. While the Panel applauds the correction of some errors made by FDA, it has noted that the fundamental problem of the sale of 6,088 m^3 of ekki wood without an auction was not corrected and thus does not appear to conform to the requirement of regulation 108-07. The Panel has also confirmed that auctions of abandoned logs took place in a number of other counties in the period from February to April 2008 but that they were later cancelled. The Panel is not clear on the rationale for cancelling the other auctions but not this one.

106. The Assistant Managing Director of FDA informed the Panel during September 2008 that FDA had been charged with contempt of court by the Gbarpolu County court because of its cancellation of the auctions, as that is the prerogative of the court. Although the Panel wrote a letter to the Minister of Justice on 21 October 2008 requesting information on court procedures for auctions and information on the interpretation of the legality of the sale of 6,088 m^3 of wood without a further auction, the Panel had not received a response as at 20 November 2008.

Rubber wood

107. In its previous report, the Panel highlighted the issue of payment of stumpage fees on rubber wood (S/2008/371, paras. 184-187). In his letter dated 6 June 2008 to the Panel, the Managing Director of FDA explained that there were conflicting perspectives on whether stumpage fees should be paid for rubber wood. He also stated that FDA regulation 107-07 would be amended to exempt rubber wood from stumpage fees. He stated that FDA would request the chain-of-custody contractor, Société Générale de Surveillance, to collect stumpage and export fees until changes had been made to the regulation. The letter also noted that Firestone was not subject to stumpage and export fees on rubber wood production and export because of its concession agreement with the Government of Liberia.

108. According to the project manager of Société Générale de Surveillance, it inspected eight containers of Firestone rubber wood lumber before export as well as eight containers of woodchips from rubber trees being exported by the company Buchanan Renewables. It has invoiced for stumpages fees for the latter's exports.

109. According to minutes of the meeting of the FDA Board of Directors held on 7 August 2008, the Board approved a resolution to reclassify rubber wood and other tree crops as class D species, with no stumpage fees needing to be paid on such wood products. The Panel notes, however, that there is no provision for class D species in FDA regulation 107-07 and that the regulation would need to be revised to accommodate that change.

Pit sawing and charcoal activities

110. FDA is currently earning revenue from the transportation of pit sawn timber and charcoal. FDA estimates that there are approximately 6,000 unlicensed pit sawyers operating in various parts of the country. In the period from July 2007 to April 2008, FDA issued 2,585 permits to transport 719,989 pieces of sawn timber, providing $432,138 in revenue. FDA issued 660 charcoal transport permits during the same time period, resulting in approximately $7,870 in revenue.

111. To address concerns about the potential for confusion and instability between pit sawyers and licensed timber concession holders when the formal timber sector resumes, FDA is in the process of drafting a new pit sawing policy.

D. Other issues

112. FDA has already received solicitations from companies regarding carbon credit concessions. The Panel notes that any area identified for carbon credits would be subject to the same allocation process as for commercial timber concessions. The FDA Board of Directors has agreed that a strategy for managing carbon would need to be incorporated into the National Forest Management Strategy.

113. FDA established a Carbon Working Group early in 2008. The World Bank has approved $200,000 in funding from the Forest Carbon Partnership Facility to enable FDA to prepare a strategy in the context of the Reduced Emissions from Deforestation in Developing Countries project.

114. Land issues continue to be a significant factor in Liberia, both within the forestry sector and more generally. Community groups in Gbarpolu County continue to dispute the portion of one awarded timber sale contract and all of one tendered forest management contract on the basis of overlap with areas in Bokumu and Geu-Nwolaila districts, Gbarpolu County.

VI. Travel ban

115. To investigate the implementation, and any violations, of the travel ban, the Panel held various discussions with senior officials in the Ministries of Justice and Foreign Affairs and with officials in the Bureau of Immigration and Naturalization and the National Security Agency. The Panel also discussed the implementation of

the travel ban with Government officials and other agencies in Côte d'Ivoire, Guinea and Sierra Leone.

A. Violations of the travel ban

116. The Panel has received a number of reports of alleged travel by individuals on the travel ban list, including travel to most States in the region, as well as to other parts of Africa and to Europe and the Middle East. The Panel is attempting to obtain more information on dates and ports of entry in order to make enquiries with relevant Member States. Allegations that Benjamin Yeaton has been travelling secretly to Nimba County to recruit youths has been publicized in Liberia as part of broader concerns about potential movement of people and arms across the border (see sect. VIII below).

B. Update on designated individuals

117. A federal jury in the United States of America convicted Charles McArthur Emmanuel ("Chuckie") Taylor, Jr., on torture, firearms and conspiracy charges related to his tenure as head of the Anti-terrorist Unit in Liberia during the presidency of his father, Charles Taylor. Sentencing is set for 9 January 2009, and he faces the possibility of life imprisonment. He had previously been serving an 11-month sentence for passport fraud.

118. The Security Council's sanctions Committee on Liberia has removed three individuals from the travel ban list since June 2008: Montgomery Dolo, on 13 June 2008; Moussa Cisse, on 10 September 2008; and Charles Bright, Jr., on 11 November 2008.

119. The Panel has been informed, and has been able to confirm, that another designated individual, Maurice Cooper, is deceased.

120. The Panel has been informed that Benjamin Taylor has changed his name to J. Darlington Towah. The Panel needs to confirm this allegation, but considers that the information should be shared in case the designated individual is travelling under this new name.

121. While visiting the Ministry of Lands, Mines and Energy on 18 November 2008, the Panel was introduced to former minister Jenkins Dunbar, a designated individual on the travel ban list. Mr. Dunbar informed the Panel that he had submitted his second de-listing request to the sanctions Committee and had made the case that he was assisting in rebuilding of the country, had attended meetings of the Presidential Task Force on Diamonds and had not travelled out of Liberia.

C. Capacity of States in the region

122. The capacity of States in the subregion to implement the travel ban remains limited. For example, the Office of National Security of Sierra Leone and the Sierra Leone police informed the Panel in a meeting on 23 September 2008 that they were not aware of the travel ban list. The Panel provided them with a copy of the list. Government officials in Sierra Leone stressed that their ability to implement such a

ban was severely limited, as they have approximately 365 potential border crossing points with Guinea and approximately 280 potential crossing points with Liberia, of which only 11 are staffed. Other capacity problems include those previously identified by the Panel, including lack of communication equipment, limited training for immigration officers and porous borders.

123. The Panel notes that the lack of personnel and logistics continues to limit the ability of Liberian security agencies to effectively monitor the country's borders. For example, while the Bureau of Immigration and Naturalization has only three official border crossings in Grand Gedeh County, there are multiple informal border crossings. Furthermore, there are only 69 Liberian National Police officers with one patrol vehicle in the county and only two National Security Agency officers with two motorcycles, which the officers fuel at their own expense. Recently, Lonestar offered the National Security Agency a limited cell phone service for communication between the counties and headquarters in Monrovia. Previously, National Security Agency officers had relied on the goodwill of individuals travelling to Monrovia to deliver their reports to headquarters.

124. While the capacity of Liberia's Bureau of Immigration and Naturalization remains limited, there have been some positive developments. On 21 October 2008, the Panel was informed by an immigration official at Robertsfield International Airport that the Bureau had received funding for computerized system for immigration. The Panel witnessed the new system, which includes computers and passport readers, in operation on 19 November 2008. The system should increase the ability of the Bureau to monitor the movement of people. Liberia will also have digitally readable passports by early 2009, according to the Minister for Foreign Affairs.

125. Given the lack of capacity in the region, it would not be surprising if the allegations of travel in the region by designated individuals, including to Côte d'Ivoire, Guinea, Sierra Leone, Ghana, Nigeria and Togo, proved to be true.

VII. Assets freeze

126. The sanctions measures imposed by the Security Council in its resolution 1521 (2004) require all States to freeze funds, other financial assets and economic resources owned or controlled by individuals and entities designated by the sanctions Committee on Liberia for inclusion on the assets freeze list.

127. The Panel conducted a broad analysis of the assets owned or controlled by the designated individuals on the assets freeze list. The Panel has written letters to 12 Member States requesting information and has followed up on outstanding requests from the previous mandate. The Panel expanded its search for assets, and several new countries have been identified as receiving monies of the designated individuals at some time in the past. As well as receiving assistance from various Member States, the Panel and the Special Court for Sierra Leone are sharing information where appropriate and within the scope of its mandate and obligations.

128. While the Panel has found no evidence of any additional assets being frozen during the period of the current mandate, the potential for substantial asset freezes remains high. Various Member States are responding to requests for information and

inviting visits from the Panel. The Panel is also providing assistance to Member States for the tracing of assets moved.

129. Numerous financial discovery requests were made during the mandate by the Panel, with follow-up dialogues and invitations to conduct on-site reviews of the financial records at the financial investigative units and/or banks of Member States. Those steps require further follow-up.

A. Update on listed individuals

130. The number of designated individuals now includes 26 individuals and 30 business entities. As Charles "Chuckie" Taylor, who was recently convicted in the United States, is also a listed individual on the assets freeze list, any frozen assets will require subsequent action.

131. On 1 May 2008, the attorney representing Gus Kouwenhoven submitted a formal request on behalf of her client for de-listing from the travel ban list and the assets freeze list of the Security Council Committee established pursuant to resolution 1521 (2003) concerning Liberia. The basis for the request is his acquittal on all charges of association with Charles Taylor as a supplier of weapons and committing war crimes.

B. Implementation of the assets freeze in Liberia

132. No assets of designated individuals have been frozen in Liberia. However, the Panel has made some progress during the current mandate on accessing information on assets of designated individuals and on ascertaining the status of some bank records.

Progress in locating bank records

133. In September 2008, the Ministry of Justice, through the Office of the Solicitor General, proceeded to obtain from the relevant magistrate search warrants as follow-up to those initially served on four Liberian banks during April 2008. Search warrants for records of the accounts of designated individuals for the period from 1997 to 2006 which were not provided in the initial search and seizure process were issued to Ecobank and the Liberian Bank for Development and Investment (LBDI). Additional records were obtained for the individuals, but not for the entire period.

134. The warrants were expanded to include certain business entities that are known to be directly affiliated with some of the designated individuals, including Lonestar Communications, PLC Investments, Liberian Petroleum and Refining Company (LPRC), Investcom Global and West Oil. The two banks mentioned in paragraph 133 above were served, and promptly provided some financial records. Ecobank produced records for Lonestar, LPRC and West Oil, but advised that it had no records for PLC or Investcom Global. LBDI produced account records and some wire transfer records for Lonestar, LPRC and Cyril Allen, and advised that it had no account records for West Oil, PLC or Investcom Global.

135. During the period in which the banks were allowed to gather documents, a court motion for a stay order for PLC Investments was filed by two of the designated individuals, Emmanuel Shaw and Benoni Urey, as well as PLC (see

annex X). Part of the petition filed on behalf of those two individuals and PLC stated that PLC Investments was not designated by the Security Council's sanctions Committee, and that the Ministry of Justice had proceeded in a manner contrary to known and accepted legal practices. However, the Panel notes that, according to documentation obtained from the Ministry of Commerce, the owners of PLC Investments are Emmanuel Shaw and Benoni Urey, and that paragraph 1 of resolution 1532 (2004), applies to assets owned or controlled, directly or indirectly, and economic resources held by entities owned or controlled, directly or indirectly, by any of them or by any persons acting on their behalf or at their direction. The Panel also notes that the petition filed on behalf of Shaw and Urey states that Security Council resolution 1532 (2004) was never ratified by the National Legislature of Liberia and is therefore not enforceable.

136. The motion for a stay was granted by Judge Kaba on 10 November 2008. The stay went into effect and shut down the process of gathering financial information. The Ministry of Justice has informed the Panel that it will respond with an objection.

Records of Tradevco and Liberia United Bank Inc.

137. As a result of its investigations, the Panel has successfully determined that there are no financial records in the walk-in vault located in the building that was formerly occupied by Tradevco Bank (see annex XI). The records obtained also show that Charles Taylor did have a checking account at the bank in his individual name. The ending balance was $5,000.00. The amount has not been disbursed and remains with the Central Bank of Liberia.

138. The Panel also sought to determine whether any records were available from another failed Liberian bank, Liberia United Bank Inc. (LUBI). Central Bank of Liberia officials advised the Panel that the only records of LUBI available to it for currently listed individuals were records showing outstanding, unclaimed deposit balances for Benoni Urey ($54).

139. Tradevco financial records have been requested over the course of many years, but they have never been obtained. Obstacles included legal filings within the Liberian courts, refusal by the Tradevco receiver possessing the information to disclose the whereabouts of records or to allow access to the accounts, and various continuing delays by the owners. The lack of records in the vault emphasizes the importance of quick action by the United Nations and Member States when pursuing financial information that could assist in the implementation of the assets freeze. As a result of the delays, the financial records that could have assisted in improving implementation of the assets freeze or, possibly, assisted the criminal court case at The Hague, have been lost.

Information on real estate ownership

140. The Panel requested information on real estate holdings in Liberia for designated individuals. As a result of initial interviews and requests for information, by the Panel, its assessments that real estate ownership in Liberia can be determined, but only with great difficulty. It will require a time-consuming exercise of many searches and interviews.

141. Maps are available that show various tracts of land in Monrovia and provide the name of a registered owner for each tract (see annex XII). However, most of the maps go back to pre-Taylor days. The Bureau of Lands may also have a deed showing registered ownership for each ownership designation, but title deeds left with the Bureau have not been indexed. Thus, in order to conduct a search for a particular deed, it must go through all the deeds in storage, a time-consuming process.

142. The historical source of the deeds collected by, and in storage at, the Bureau of Lands is threefold: (a) deeds deposited as a result of the 1974 land registration programme; (b) deeds/land records deposited during Doe's rule as a result of a direction that all land records for Montserrado be taken to the Bureau of Lands; and (c) some records deposited during the post-Doe era "from adjudications".

143. All land transfers from 1990 on have proceeded through the probate court for the county where the land was located. Hence, all land transfers for Montserrado went through the probate court at the Temple of Justice; for Margibi County, the probate court in Kakata; and so on. The procedure is that once a transfer is "probated" it is then forwarded to the city hall close to the location of the land.

144. Paynesville City Hall officials confirmed that all land transfers must first be probated before being recorded and that, unless they are recorded, transfers are ineffective. The officials also advised the Panel that, with respect to their own personal knowledge of ownership by designated individuals:

(a) Former President Charles G. Taylor owns land in Congotown, in Montserrado County and in Bong County;

(b) Cyril Allen owns land in Paynesville, property on Somalia Drive in Redlight district, as well as in Kakata, Margibi County. They noted that Cyril Allen resides in Paynesville;

(c) Randolph Cooper owns land in Congotown;

(d) Emmanuel Shaw owns land in Paynesville and in Monrovia;

(e) Jewel Taylor owns land in Congotown and in Gbarnga, Bong County;

(f) Benoni Urey owns land in Paynesville, the "Poultry Farm" in Kakata-and land in Careysburg (Margibi County);

(g) Edwin Snowe owns property in Paynesville on Duport Road, and on Elwa Road, as well as on a "back road" in Congotown. However, it is likely the Paynesville properties were recorded under other names. The officials agreed to search their records to determine the actual name(s) of those properties.

C. Progress on implementation by other Member States

145. As noted, the Panel has requested information from a number of Member States in addition to Liberia. Table 6 summarizes progress regarding the Panel's efforts to obtain information and records to assist in tracing the movement and location of assets.

Table 6
Summary of developments regarding asset information requests

Member State	*Status of request*
China	The Panel submitted requests for the discovery of financial records at banks in Hong Kong Special Administrative Region and has held several meetings at the Permanent Mission. China responded promptly and has agreed to allow the Panel to visit the banks in Hong Kong once the records have been located to conduct a review. Hong Kong SAR recently expressed support for providing the relevant information
Indonesia	After uncovering the name of a major corporation from Indonesia, the Panel met with the Permanent Mission to provide supporting information that could be transmitted to the country to justify compliance. The Mission has been helpful in the tracing of the monies and the Panel expects a response shortly
Liechtenstein	The Panel identified a transaction under the instruction of Charles Taylor from 1999 in the amount of $4.5 million that was traced to a Liechtenstein bank. The Panel has had several discussions with Liechtenstein officials and has provided supporting evidence for its request to ensure compliance with the protocol of the country. Liechtenstein provided the requested information, and the tracing of the monies has led to other countries, where the investigation is continuing. Liechtenstein has offered to provide further assistance and has indicated support for an on-site review of financial records
Panama	Three companies connected to designated individuals were registered in Panama with bank accounts held in Switzerland. The Panel requested company profiles on the three companies and financial information. Panama has supplied information and discussions are ongoing regarding the provision of additional information
Singapore	The Panel met with the Permanent Mission and provided information regarding many transactions of high-dollar amounts into bank accounts and companies based in Singapore. Singapore assured the Panel that information would be forthcoming and that it would provide access to any follow-up records. The Permanent Mission has informed the Panel that its capital is working on the request
Switzerland	The Panel met with the Ambassador of Switzerland to the United Nations and Mission staff regarding the many bank accounts used by designated individuals. The Panel provided information regarding the basis for the discovery request for financial information, and this has been transmitted to the appropriate representatives in Switzerland. The Panel is in discussions with officials in Switzerland as the State attempts to comply with the outstanding request, and an invitation has been extended to visit the country to review bank records on site
United Kingdom of Great Britain and Northern Ireland	Many companies associated with designated individuals were at one time, and in some cases still are, registered in the British Virgin Islands or held bank accounts in Jersey. The United Kingdom has quickly sought responses from the domiciled countries regarding the bank accounts related to those companies. The information has confirmed money transfers and additional evidence to substantiate bank searches in other countries. The Panel was informed that the Treasury in London does not have the resources to respond to the Panel's queries, but it did provide the names of people to contact directly

Member State	*Status of request*
United States of America	The Panel requested that a residence in the State of Maryland owned by a designated individual be frozen immediately and requested financial records from Citibank for accounts that were identified by the Panel as receiving monies connected to designated individuals. The Permanent Mission is determining the process needed to take such action. Thus, no information or asset freeze has been initiated yet

146. Through records received to date, many millions of dollars have been traced to Citibank in both New York and Beirut; these are previously undiscovered assets. Citibank was requested to provide financial information, but the Panel has not yet received any records. The Panel has since received information about current money movements to Citibank, which makes this request a high priority.

147. As part of the petition filed by PLC Investments, articles of incorporation were attached as an exhibit that disclosed that Gray T. Harmon is the legal incorporator of PLC Investments.

D. International asset tracing

148. The Panel has sought to trace the movement of money from a number of companies linked to designated individuals on the assets freeze list. These include Lonestar, Natural Holdings and Borneo Jaya Pte.

Lonestar

149. The Panel sought records on Lonestar Communications, a business entity in Liberia that has often been identified as a potential provider of monies to designated individuals on the assets freeze list. According to an end-of-year audit for 2000, the owners of Lonestar were identified as Investcom Global Limited (60 per cent) and PLC Investments Ltd. (40 per cent). According to documents that the Panel obtained from the Ministry of Commerce, the ownership of PLC Investments Ltd. includes Emmanuel Shaw and Benoni Urey. The Lonestar document in the file at the Ministry of Commerce has been signed by both Emmanuel Shaw and Benoni Urey. Investcom Global Limited is owned by Investcom Holdings, which was incorporated in the British Virgin Islands and registered in Luxembourg (see annex XIII). The agent in the British Virgin Islands is Belmont Trust Limited, and the sole owner is Li Lin Foong, with an address in Malaysia.

150. From the wire transfer records produced by LBDI under search warrants, the Panel notes that Lonestar recently wired to Investcom Global at Citibank in Beirut a total of $3.37 million over a seven-month period (January to July 2008). The wire transfers included $1 million on 28 January 2008, $500,000 on 4 February 2008, $500,000 on 10 March 2008 and $510,000 on 8 July 2008 (see annex XIV). In addition, Lonestar account statements showed two further wire transfers to Investcom Global of $427,175 on 24 April 2008 and $432,136 on 26 May 2008. The Panel notes that the movement of monies has involved no less than five different countries and that the designated individuals represent 40 per cent ownership of Lonestar, with obvious large and liquid asset holdings.

Natura Holdings Pte Ltd.

151. In the past, Natura Holdings Pte Ltd. wired millions of dollars directly into Charles Taylor's personal bank account in Liberia and into the account of Oriental Timber Company in Liberia. Natura Holdings is based in Singapore, and has wired monies from banks in Singapore with the involvement of no less than four countries.

152. The largest — possibly the sole — shareholder of Natura Holdings Pte is Extra Mile Investments Limited, which was incorporated in the British Virgin Islands (see annex XIII) on 28 October 1999. The registered agent is Offshore Incorporations Limited, at the Offshore Incorporations Centre, P.O. Box 957, Road Town, Tortola, British Virgin Islands. Extra Mile is owned by Ho Kui Hing, with an address of 15th Floor, Bowie Court, 77 Pok Fu Lam Road, Hong Kong.

Borneo Jaya Pte

153. Borneo Jaya Pte was confirmed as having wired several millions of dollars to Oriental Timber Company during the Taylor regime. Borneo Jaya appears to be the parent company of Oriental Timber Company, and is located at 10 Anson Road, International Plaza, 27-14, Singapore 079903.

154. The Panel located a bank account in Jersey and has requested all records related to this account. The records indicate that the bank account was in the name of AGL. Brokers Limited and administered by Stonehage S.A., located in Switzerland. There is a Stonehage Trust Holdings Limited located in Jersey that is connected to this account, with two companies identified as members of the trust.

155. The bank records show that there is an entry on 16 July 1999 for a $1 million deposit from Borneo Jaya Pte. The funds were transferred out on 2 August 1999 in the amount of $550,000 and on 4 August 1999 in the amount of $450,000. In addition, Exotic Tropical (a possible Leonard Minn company) is listed as having deposited $15,591.70 into the same account, and there are several payments for Executive Jet Service of a material amount.

156. The activity moved across four countries. Follow-up requests are needed, including to Singapore for all records of Borneo Jaya Pte, to Switzerland for the company Stonehage acting as administers for AGL Brokers Limited, and to Jersey for detailed information on the outgoing transactions. The Panel has requested from the United Kingdom all supporting records indicating where the monies were transferred and a detailed listing of the private jet service, passenger names, destination and all other file information. The Panel received a response from Jersey stating that the resources were not available to conduct such a detailed investigation, but contact information was provided.

E. Effectiveness of assets freeze sanctions and next steps

157. As requested, the Panel has assessed the effectiveness of the assets freeze sanction.

Seminar organized by the presidency of the Council of the European Union

158. The Panel takes note of a two-day seminar on targeted sanctions, held in New York early in November 2008 and sponsored by the European Union. The Panel's

finance expert attended, participating in a panel with representatives of the Security Council sanctions Committees concerning the Islamic Republic of Iran and Al-Qaida/Taliban and a member of the latter Committee's sanctions monitoring team. Some participants in the seminar recognized the need for a "next step" for targeted financial sanctions regimes. Participating experts observed that these are temporary measures imposed for different reasons as defined by each Security Council resolution, and that there is a need to ensure that appropriate follow-up measures are taken subsequent to the initial, temporary assets freeze.

159. Participants in the seminar considered the remaining sanctions on Liberia to be a very different case compared with the sanctions regimes concerning the Islamic Republic of Iran, or Al-Qaida/Taliban. The general view was that in the case of Liberia, it was appropriate to take the next step towards a seizure action — which could be achieved through the provision of any necessary technical assistance — or to pursue de-listing, where appropriate, using existing procedures.

Implications of the recent decision of the European Court of Justice

160. Early in September 2008, the European Court of Justice ruled that the regulation by which the European Union (EU) applied a Security Council assets freeze (imposed by resolution 1390 (2002) under the Al-Qaida/Taliban sanctions regime) against Yasin Kadi and Al-Barakaat International Foundation infringed their basic rights, and declared the action illegal under EU law, although the judgement applies only to those two parties. However, in doing so, the Court also gave the European Council three months to enact a new regulation that would comply with the Court's decision.

161. The Court found that the EU regulation for implementing the Security Council assets freeze failed to meet minimum due process standards required by the European Union, namely:

(a) The right to be heard, that is, the right to have access to the very authority which had made the determination to list the person affected;

(b) The right to know the evidence on the basis of which the decision to list that person/entity was made;

(c) The right to a judicial review, which is impeded if the person/entity is not provided with the evidence against him/it.

162. The Court highlighted the ability of each State in the European Union to use "various possible models" to implement United Nations resolutions. The United Nations does not impose on Member States any particular model to be used to enforce its resolutions; it leaves it to Member States to design their own models for enforcement in a manner consistent with each such State's domestic legal regime.

163. The Court's concern with meeting due process standards, however, did not affect the legitimacy of having a process that would implement an initial listing on the asset freeze list "by surprise". The Court acknowledged that prior communication to the designated individual would jeopardize the effectiveness of the measure freezing the funds and economic resources, which must, by their very nature, have a surprise effect and apply with immediate effect.

164. The Court also rejected any suggestion that the Regulation "was out of all proportion" to what was really required. This is the "proportionality" argument — a

law that took away a person's entire property because he/she had stolen a loaf of bread, for example, would be "out of proportion" to the nature of the offence or wrong being addressed.

165. Domestic legal regimes usually address these fundamental rights discussed in the Kadi case. In Liberia, the Civil Procedure Law in relation to injunctions, temporary restraining orders and receiverships would meet these requirements if those particular remedies were adopted in effecting asset freezes. Here, the Panel makes reference to chapter seven of Liberia's Civil Procedure Law regarding "provisional remedies".

166. The conclusion reached by the Court in the Kadi/Al-Barakaat case was consistent with the decision of the Supreme Court of Liberia in September 2005 in the Urey/Shaw case. In that case, the Supreme Court found not that asset freezes were, per se, illegal, but that the means then used to implement the same were not in conformity with Liberian due process. The Supreme Court specifically left it open to the Government of the day to pursue the asset freeze effort in accordance with Liberian due process. It has never done so.

Moving forward

167. The Panel met with the Minister for Foreign Affairs of Liberia and other Ministry officials, as well as a representative of the Ministry of Justice, on 12 November 2008. The Panel provided an overview of recent developments regarding implementation of targeted sanctions and discussed possible next steps. The Panel noted that options include a permanent seizure of frozen assets, coupled with a refinement of existing processes for pursuing de-listing through available procedures.

168. One of the benefits of a permanent seizure would be the recovery of the assets by Liberia. The Panel strongly requested an official response on whether such "asset recovery" action as the next step was the intent of the country. Since Liberia would be the aggrieved party in any asset recovery claim, Liberia's intent to follow through with asserting the necessary claims is vital. The Minister for Foreign Affairs assured the Panel that an answer would be provided before the submission of its report. As noted above, the Panel had not received a response as at 20 November 2008.

169. The Panel discussed with several Member States the interpretation of the asset freeze wording. The consensus was that the paragraph describing assets of economic means, directly and indirectly owned, under control or through the receipt of financial benefit, is sufficient to freeze assets not in the actual name of the designated individual where sufficient proof can be provided. In other words, adding names to the asset freeze list is not required, as assets in the name of a non-designated individual with a sufficient connection to a designated individual can be frozen as well. However, if the Liberian courts in the PLC stay order proceedings conclude otherwise, this matter should be reconsidered.

VIII. Arms embargo

170. In its resolution 1819 (2008), the Security Council requested the Panel to investigate and report on the implementation, and any violations, of the measures

referred to in paragraph 2 of resolution 1521 (2003). The Panel held meetings and consultations with relevant stakeholders both in Liberia and in neighbouring countries to discuss the arms embargo and the status of exemptions granted by the sanctions Committee.

A. Violations of the arms embargo

171. The Panel has found no evidence of major violations of the arms embargo. However, there continue to be incidents in Nimba County related to the trafficking of single-barrel ammunition from Guinea to Liberia (see annex XV). The Panel has been able to conclude that single-barrel ammunition has been sold across the border on market days. For example, the Bureau of Immigration and Naturalization in Toe Town reported that single-barrel ammunition was sold on Saturdays at a cost of 75 Liberian dollars per round.

172. The Panel notes that there is now widespread concern about the presence of berretta-type pistols in Liberia and neighbouring countries. The Panel was informed of reports of robbers in Ganta, Nimba County, using berretta pistols, although machetes remain the weapons more commonly used. However, in the few cases in which arms and/or ammunition were recovered from armed robbers or surrendered by the public, they were incomplete or unserviceable. The Panel was informed by the Director-General of the Côte d'Ivoire police that cross-border trafficking in arms and ammunition and its link to armed crime is of concern and that, while single-barrel rifles (and their ammunition) were previously the weapons most commonly trafficked from neighbouring countries into Côte d'Ivoire, the latest trend involved 9 mm-calibre pistols of the berretta type, manufactured either in Italy or South Africa. According to the Director-General, evidence indicated the sources to be Ghana, Liberia, Guinea and Burkina Faso.

173. There is also concern about trafficking in AK-47 rifles. Officers in the embargo cell of the United Nations Operation in Côte d'Ivoire (UNOCI) informed the Panel that there had been reports of AK-47 rifles being traded in villages located in the south-western regions of Côte d'Ivoire. The Acting Police Commissioner of UNOCI said that arms traffickers were suspected of taking advantage of the heavily forested region in the south-western part of Côte d'Ivoire to smuggle arms from Guinea into Guiglo village for sale on Tuesdays (market days in Guiglo).

174. The Group of Experts on Côte d'Ivoire has reported that a special joint mission of the United Nations police and the UNOCI embargo cell to the region surrounding Lake Buyo in western Côte d'Ivoire found that small-calibre weapons (essentially AK-47 rifles and automatic pistols) are regularly traded during market days in various localities along the banks of the lake after having been transported into Côte d'Ivoire from Liberia and Guinea by road and by boat on the rivers leading to the lake (see S/2008/598, paras. 99-100).

175. The Panel believes that the berretta pistols and ammunition reportedly used in armed robberies in Ganta could have been smuggled directly from Guinea or through Côte d'Ivoire into Liberia through similar channels.

176. The Panel traced the countries of manufacture of some of the ammunition, including that for berretta pistols recovered by the United Nations police, to China and Italy. However, some 7.62 mm calibre ammunition bore only the calibre and

year of manufacture (mostly 2002) and lacked a code for the country of manufacture, which made it impossible to trace its history.

B. Exemptions to the arms embargo

177. The Panel met the Chief of the Office on Defence Cooperation at the United States Embassy in Monrovia on 14 August 2008 and held discussions relating to exemptions granted to the United States. The Panel was informed of an impending delivery of a shipment of arms from the Government of Romania, which was part of the consignment for which the Government of the United States had earlier received approval from the sanctions Committee. The weapons were for training the Emergency Response Unit.

178. On 19 September 2008, the UNMIL Emergency Response Unit Programme Manager and members of the Firearm Inspection Team confirmed to the Panel that the consignment from Romania had arrived and was being stored at the Jordanian armoury. The Firearm Inspection Team provided the Panel with a copy of its inspection report, which noted that the team visited the location of the Jordanian armoury on 21 August 2008 to conduct a baseline inventory of the weapons and accoutrements delivered on 18 August 2008. The report confirmed that the consignment inspected was in accordance with the exemption provided (see S/2008/371).

179. However, Firearm Inspection Team officers registered concern that they were contacted for inspection only after the shipment had been cleared at the port of entry and stored. In the opinion of the Firearm Inspection Team, the procedure should be that UNMIL is informed prior to the arrival of the consignment so that the inspection can be done at the port of entry to avoid potential diversion of imported consignments.

180. The Panel visited Edward Binyah Kesselly Barracks of the Armed Forces of Liberia 23rd Infantry Brigade on 15 August 2008. During the visit, a member of the Global Strategy Group, a subcontractor to Pacific Architects and Engineers, explained the double-access process required to gain entry to the armoury. The Panel was not able to inspect the arms and ammunition, as no Pacific Architects and Engineers staff member with access to the armoury was present.

181. The Panel was informed by UNMIL that another exemption for the importation of spare parts and ammunition for the training of the Emergency Response Unit had been granted by the sanctions Committee on Liberia on 13 August 2008. The Chief of the Office on Defence Cooperation at the United States Embassy advised the Panel that the exact date of the arrival of the shipment had not been determined, but that it would take place within the early months of 2009.

182. The Panel was taken on a tour of the armoury, in which Special Security Services firearms and ammunition acquired from China are being kept (S/2008/371, para. 45). The Assistant Director of Technical Services informed the Panel that the transfer of weapons from the temporary armoury to the new armoury was contingent upon receipt and installation of an air conditioner, which is required owing to the armoury's location next to the ocean and the consequent high humidity that renders arms vulnerable to rust.

Marking of exempted weapons

183. In its resolution 1683 (2006), the Security Council called upon the Government of Liberia to mark the weapons and ammunition imported as exemptions, to maintain a registry of them and to formally notify the sanctions Committee that those steps have been taken. The Emergency Response Unit training manager informed the Panel that all the weapons under the custody of the Emergency Response Unit had been marked and that inventories had been kept.

184. The training manager expressed concern about the inferior quality of the markings, the result of the poor quality of the engraving machine. Based on an inspection of the arms marked by the Special Security Services, the Panel concurs that the inferior nature of the engraving means that the markings are relatively superficial and vulnerable to rust.

185. An analysis of the markings on arms for both the Emergency Response Unit and the Special Security Services revealed a difference in marking styles and codes. Because of the risk of the markings rusting and wearing off, the Emergency Response Unit had adopted an approach involving indelible white paint also being applied; it also marked pistols on the trigger guard and rifles on the outside of the receiver. The Special Security Service had used only the engraving machine and made only one mark, on the barrel of the weapon, for both pistols and rifles. It is advisable that the agencies coordinate their marking approaches with a view to exploring the use of standardized marking procedures.

C. Regional issues

186. The regional issues of greatest concern regard the borders with Guinea and Côte d'Ivoire. As highlighted by the Principal Deputy Special Representative of the Secretary-General for Côte d'Ivoire, the general security situation in the West African region remains fragile, in particular as a result of the current situation in Guinea and uncertainty facing the disarmament process in Côte d'Ivoire.

187. With regard to Côte d'Ivoire, the incomplete state of the disarmament, demobilization and reintegration process is of concern for its neighbours. Various officials in both Liberia and Côte d'Ivoire emphasized that an unknown number of Liberian ex-combatants were living in the villages of Guiglo, Duekoué and Danané in the south-western region of Côte d'Ivoire. According to sources in the country, village chiefs in Danané in western Côte d'Ivoire also were reporting that a group of international mercenaries from North African countries inhabited the heavily forested region around Danané, near the border with Liberia.

188. An officer from the Joint Mission Analysis Centre at UNOCI informed the Panel that the Liberian ex-combatants in Côte d'Ivoire were affiliated with a number of militia groups in south-western Côte d'Ivoire, among them the Alliance patriotique du peuple Wê, the Mouvement ivoirien de libération de l'ouest de la Côte d'Ivoire, the Union patriotique de résistance du Grand Ouest and the Front pour la libération du grand ouest. The fact that those militias had not yet been disarmed posed a threat to both Liberia and Côte d'Ivoire because of the potential for trafficking in arms and ammunition. According to the disarmament, demobilization and reintegration chief at UNOCI, the potential for the reactivation of the Liberian ex-combatants is a reality that needs to be addressed, and he reported

that those ex-combatants had written to UNMIL expressing their willingness to return to Liberia if assistance was provided.

189. During a visit to Grand Gedeh County from 31 October to 3 November 2008, the Panel's mission coincided with the publication in a local newspaper of a story alleging that dissidents armed with sophisticated weapons had infiltrated Nimba and Grand Gedeh Counties with the aim of unseating the Government of Liberia. The allegations included the claim that a group of former Liberian fighters was undertaking military training in Tiobli, south of Toupleu district in western Côte d'Ivoire, with the aim of infiltrating Liberia.

190. Fighters formerly aligned to the defunct rebel Movement for Democracy in Liberia (MODEL), who are still in Côte d'Ivoire, staged a demonstration to demand compensation for having fought for the Government of Côte d'Ivoire in 2002. UNOCI has reported on this issue, stating that the demonstration by the former MODEL fighters was led by the spokesman of the group, General Marcus Pierson, who alleged that the Government of Côte d'Ivoire had given the group's leader $200,000 but that he had then disappeared.

191. The Minister of Justice of Guinea informed the Panel that Guinea is increasingly becoming a transit route for trafficking in drugs, such as cocaine, between South America and Europe. The Minister cited a case from August and September 2008 in which a Cessna aircraft had landed repeatedly in Boke town at night to deliver drugs, prompting the arrest of the governor, the mayor, a military commander, the central commissioner and the air traffic controller located in the area. Although there are no confirmed links between drug trafficking and the arms trade, there is a risk to West Africa unless adequate measures are put in place to stem such practices.

192. The Secretary-General of the Ministry of Security and Civil Protection of Guinea reported that the Government had established a national commission on small arms and light weapons, which is responsible for liaising with the Mano River Union secretariat on arms-related issues. He noted that the greatest concern to Guinea was the porosity of the borders between Guinea and neighbouring countries, as that rendered the country vulnerable to most forms of trafficking.

193. The situation in Sierra Leone is relatively calm. Various Government officials in Sierra Leone underscored the steady progress that the country was making in restoring peace, although the unresolved border conflict at Yenga between Sierra Leone and Guinea was identified as one area of concern.

194. The Commissioner of the National Commission for Social Action of Sierra Leone and his staff informed the Panel that, although reintegration of the former Sierra Leonean fighters was formally complete, most ex-fighters were concentrated in Freetown and had no assured sources of livelihood. They were susceptible to substance abuse, and some were involved in illegal logging and mining. The Commissioner suggested that the Mano River Union countries evolve a regional approach to disarmament in order to prevent the former fighters from crossing borders in order to fight new wars. The National Commission for Social Action was also concerned about the lack of anti-mercenary laws among West African countries, as that lacuna made the region more susceptible to the recruitment of mercenaries.

IX. Conclusions and recommendations

195. The Panel would like to make a number of final conclusions and recommendations related to the tasks assigned to it by the Security Council. Recommendations are targeted at the Security Council, the international community and the Government of Liberia.

196. The Panel recognizes that Liberia has made considerable progress during this crucial period. However, there continue to be a number of overarching issues that have the potential to affect peace and security in Liberia. The Government of Liberia continues to struggle to have sufficient control over its borders and territories. The allegations about recruitment and the movements of arms, as well as the lack of regulation of the natural resource sectors, highlight the challenges the country faces in re-establishing its authority throughout its territory. The role of UNMIL remains an important source of stability and support for the Government of Liberia during this crucial drawdown phase.

Natural resources and security

197. The Security Council should direct UNMIL to continue to provide support to the Government of Liberia in its efforts to complete its security sector reforms and to re-establish control over its natural resources so that use of Liberia's natural resources — including diamonds and timber — truly benefit Liberians in the long term.

198. The Security Council should also ensure that both UNMIL and UNOCI continue to closely monitor potential security threats in the region, especially with regard to the potential movement of ex-combatants and arms, and that they provide support to the Governments of the subregion in their efforts to resolve cross-border security and natural resource issues.

Diamonds

199. Liberia and other countries in the region must continue to be diligent in applying their Kimberley Process internal controls, especially given the continuation of sanctions on rough diamonds from Côte d'Ivoire.

200. The Government of Liberia should continue to implement recommendations made by the Kimberley Process review visit team in its report.

201. The Government of Liberia and its neighbours should continue to pursue regional harmonization approaches to challenges such as tax regimes and undocumented trade flows through various forums, including the Mano River Union and the Kimberley Process Working Group on Artisanal and Alluvial Production.

202. The Panel reiterates its recommendation that the Kimberley Process ensure it develops and adopts guidelines regarding problematic and suspicious shipments. This step would assist participants, especially new entrants such as Liberia, in navigating difficult situations that could threaten the integrity of their system.

203. States Members of the United Nations should assess the contribution of the diamond mining and trading sector to livelihoods, poverty alleviation and sustainable development, and report on their findings, including at the upcoming

Commission on Sustainable Development. Efforts such as these will help to ensure that the Kimberley Process is not undermined by livelihood issues in the long term.

Forestry

204. The Government of Liberia needs to reassess its strategy for allocating commercial timber concessions. It must ensure that FDA and other ministries and agencies follow the legal framework that is meant to ensure that financially and technically capable companies apply for timber concessions. They should consider targeted marketing to firms specializing in tropical timber harvesting and ensure that concessions are advertised in the legally required manner to improve the chances of attracting reputable bidders.

205. The international community should continue to engage closely with Liberia with regard to the implementation of forestry reforms so that Liberia can sustain the significant investments made to date and can benefit in the long term from its rich forest resources.

Travel ban

206. The Security Council should remind Member States in the subregion of the existence of the travel ban list and their responsibilities to enforce that measure.

207. The Security Council Committee established pursuant to resolution 1521 (2003) concerning Liberia should encourage the Government of Liberia to provide the Committee with current passport information on and photographs of Liberians on the travel ban list.

208. The Government of Liberia and other States in the region must be more diligent in their application of the travel ban measure, particularly given the allegations of designated individuals being engaged in recruitment.

Assets freeze

209. Given its role in imposing and overseeing international targeted financial sanctions regimes, the Security Council could task an appropriate United Nations body to serve as the central depository and hub of all asset information and tracing of monies related to Council sanctions. The Council has enacted targeted sanctions to freeze assets and economic items of value on a worldwide scale. It is then incumbent upon all Member States to execute these measures. However, the relevant assets have been hidden, moved or placed in alter-ego names around the world. No one Member State can trace the movement of the assets, since many borders are crossed and Member States have other, competing, priorities for resources.

210. However, the United Nations, building upon existing targeted financial sanctions regimes, could be tasked with maintaining a repository of information and expertise to assist in tracing the movement of assets from State to State, in accordance with relevant Council decisions. A mutual technical assistance arrangement could be created in order to provide to Member States the necessary expertise to properly and quickly follow relevant assets, and, potentially, to assist the victim country in its effort to recover monies associated with damage resulting from economic sabotage. Such activities could be seen as an outgrowth of paragraph 4 (c) of resolution 1532

(2004), whereby the Council tasked its Liberia Committee with assisting States where necessary in tracing and freezing relevant assets.

211. The Security Council should consider possible next steps for certain of its targeted financial sanctions regimes, whereby the temporary assets freeze measure would lead to, for example, a seizure of relevant assets, which would require a thorough understanding of the financial affairs of the individual and, possibly, a current disclosure of assets.

212. The Panel also recommends following up with scheduled visits to each of the Member States that have approved the Panel's conducting an on-site visit to the banks for a complete review of the financial records. This list currently includes China, Indonesia, Liechtenstein, Panama, Singapore, Switzerland, the United Kingdom of Great Britain and Northern Ireland and the United States of America.

213. In the context of Liberia, the targeted sanctions for the freezing of assets need to evolve. As it is, the targeted financial sanctions have one piece of the equation missing — assistance to the victimized country for support of its remedies to recover stolen assets. Liberia is the victim and holds the legal remedies, but lacks resources to develop claims, gather evidence and legally pursue the actual asset recovery. Mutual technical assistance could be provided to Liberia, either bilaterally or under the auspices of the United Nations, as a natural follow-on to the asset freeze imposed by resolution 1532 (2004). Such activities could be seen as an outgrowth of paragraph 6 of the same resolution, wherein the Council expressed its intention to consider whether and how to make available the funds, other financial assets and economic resources that have been frozen to the Government of Liberia, once that Government has established transparent accounting and auditing mechanisms to ensure the responsible use of Government revenue to benefit directly the people of Liberia. However, it is not clear that the Government of Liberia will choose to make the recovery of assets stolen during the Taylor regime a priority.

214. The decision by the Supreme Court of Liberia on 16 September 2005 in *Urey et al v. NTGL* explicitly held (with respect to the means by which Security Council resolution 1532 (2004) may be enforced in Liberia) the following: "The Respondent (NTGL) is, however, at liberty to proceed with whatever action it wishes to pursue, but in keeping with the due process of law as enshrined in our Constitution and Statutory laws of this Country". The Government should be encouraged to follow up on this explicit judicial invitation — without any need for further legislation — by suing those responsible for the losses sustained by Liberia during the Taylor years, especially since article 2.7 of the Civil Procedure Law appears to present no limitations defences by wrongdoers to civil suits filed against them by the Government of Liberia.

215. Such an approach would mean committing resources to permit the Ministry of Justice to initiate and follow through on civil claims available to the Government to get back stolen assets/resources. The current focus on using criminal law sanctions to deal with issues relating to economic sabotage is not enough. Liberia needs to do more to help itself to recover its stolen property/funds, and this means using civil as well as criminal process.

Arms

216. The Security Council should decide that States given exemptions to export weapons for purposes outlined in its resolution 1683 (2006) shall notify the Committee in advance of the consignment reaching the port of entry in Liberia so as to allow for such inspection to take place before the consignment is transferred into storage.

217. The Panel strongly recommends that the Government of Liberia strengthen the capacity of its law enforcement agencies responsible for monitoring the country's borders as well as the territory in general so as to proactively take note of potential security threats.

218. The issue of Liberian former fighters allegedly still in Côte d'Ivoire calls for urgent bilateral attention by the Governments of Liberia and Côte d'Ivoire with the aim of finding a lasting solution to the problem. In particular, the Panel recommends that the Liberian authorities monitor closely the concern about alleged recruitment of potential fighters along the border between Liberia and Côte d'Ivoire in order to ascertain the true state of affairs and to thwart any such potential recruitment and trafficking of arms and ammunition into Liberia.

219. The Panel recommends that the Government of Liberia acquire more effective weapon-marking machines, preferably of the laser-marking type, whose marks can withstand weathering and obliteration.

Annex I

Meetings and consultations

Canada

Department of Foreign Affairs and International Trade, Natural Resources Canada, Partnership Africa Canada

Côte d'Ivoire

Ministry of Defence, Ministry of the Interior, National Programme of Reintegration and Community Rehabilitation, Interpol, United Nations Operation in Côte d'Ivoire, United Nations Group of Experts on Côte d'Ivoire

Guinea

Ministry of Defence, Ministry of Justice, Ministry of Mines and Geology, Ministry of Security and Civil Protection, United Nations Development Programme

India

Kimberley Process plenary meeting

Liberia

Government

Bureau of Immigration and Naturalization, Central Bank of Liberia, Forestry Development Authority, Governance Commission, Liberian National Police, Ministry of Finance, Ministry of Foreign Affairs, Ministry of Justice, Ministry of Lands, Mines and Energy, Ministry of Planning and Economic Affairs, National Investment Commission, National Security Agency, Public Procurement and Concessions Commission, Special Security Service, county and district officials

Bilateral and multilateral

Embassy of the United States of America, United Nations Development Programme, World Bank, Kaseman, United Nations Mission in Liberia

Non-governmental organizations, community groups and private sector

Alpha Logging, Association of Liberian Loggers, Ecobank, EJ&J, Global Wood, Green Advocates, Liberian Bank for Development and Investment, Liberian Diamond Dealers Association, Société Générale de Surveillance, Sustainable Development Institute, Prosecutor of the Special Court for Sierra Leone

Sierra Leone

Government Gold and Diamond Office, Mano River Union secretariat, Ministry of Agriculture, Forestry and Food Security, Ministry of Defence, Ministry of Foreign Affairs, Ministry of Internal Affairs, Local Government and Rural Development, Ministry of Mineral Resources, National Commission for Social Action, Office of National Security, Sierra Leone Police, Special Court for Sierra Leone, various diamond dealers and exporters' agents

United Kingdom

Diamond Trading Company, Foreign and Commonwealth Office, Global Witness, Prince Charles Rainforest Trust, Royal Institute for International Affairs

United States of America

State Department, Treasury Department

Permanent Missions of Indonesia, Liechtenstein, Panama, China, Singapore, Switzerland, United Kingdom of Great Britain and Northern Ireland, United States of America

Annex II

Adviser's workplan for Kimberley Process recommendations

Kimberley Process recommendation	*Timeline*
1. Rule of law	
1.1 Establish clear procedure for prosecution with Ministry of Justice	M
1.2 Re-establish investigating board for violations of mining code and Kimberley Process Certification Scheme	M
2. Clarify procedures	
2.1 Review Job descriptions and develop staff procedure manual	S
2.2 Complete missing sections from existing procedure manual	S
2.3 Develop and circulate procedures for customs and exporters	S
3. Improve chain of custody and implementation of voucher system	
3.1 Skills	
3.1.1 Improve voucher classification skills of regional offices	S
3.1.2 Increase quality and flow of vouchers from regional offices	M
3.1.3 Review job descriptions and implement changes relevant to Kimberley Process Certification Scheme	S
3.1.4 Increase Government Diamond Office staff oversight field trips	M
3.2 Increase customer service	
3.2.1 Establish contact numbers and opening hours for regional offices	S
3.2.2 Review staffing levels and ability to issue vouchers in the field	S
3.2.3 Review required logistic levels	S
3.2.4 Provide regional offices with details for ID-carded miners and brokers	S
3.2.5 Improve field coordination between regional offices, mining agents and inspectors	M
3.2.6 Ensure contacts with miners, brokers and dealers are transparent	L
3.3 Database overview	
3.3.1 Review database and shortcomings	S
3.3.2 Arrange for visit from designer to rewrite	S
3.3.3 Improve flow of information from field to Government Diamond Office and vice versa	M

Kimberley Process recommendation	*Timeline*
3.3.4 Investigate costs and provision of secure ID card machinery	S
3.4 Reactivate public awareness	
3.4.1 Regional offices to increase awareness of miners	M
3.4.2 Regional offices to establish linkages to brokers	M
3.4.3 Investigate reactivation of Mineworkers Union to increase awareness	M
3.4.4 Investigate incentives to performing miners and brokers	M
3.5 Increase throughput of goods into Government Diamond Office	
3.5.1 Government Diamond Office staff to increase contact with/through brokers and dealers	S
3.5.2 Investigate incentives for performing dealers	M
3.5.3 Rewrite procedure manual for dealers to improve presentation and speed of parcel valuation	S
3.5.4 Improve security in the valuation area — lock down	L
3.5.5 Improve security in the valuation area — security camera activated	S
4. Improve inter-ministerial communication	
4.1 Investigate provision of joint Ministry of Land, Mines and Energy field offices	L
4.2 Formalize working relationships between regional offices and agents	M
4.3 Increase working coordination between Bureau of Mines and Government Diamond Office	M
4.4 Increase working coordination between Liberian Geological Survey and Government Diamond Office	M
4.5 Increase liaison to increase licensing/concession transparency	M
5. Improve inter-agency communication	
5.1 Re-engage Finance, Bureau of Customs, police and Immigration	L
5.2 Revisit customs (Robertsfield International Airport and border points) to provide procedure manual	S
5.3 Establish diamond information services at Robertsfield International Airport	M
5.4 Reinforce work of Diamond Task Force	L
5.5 Review role of Diamond Task Force and implement oversight framework	L

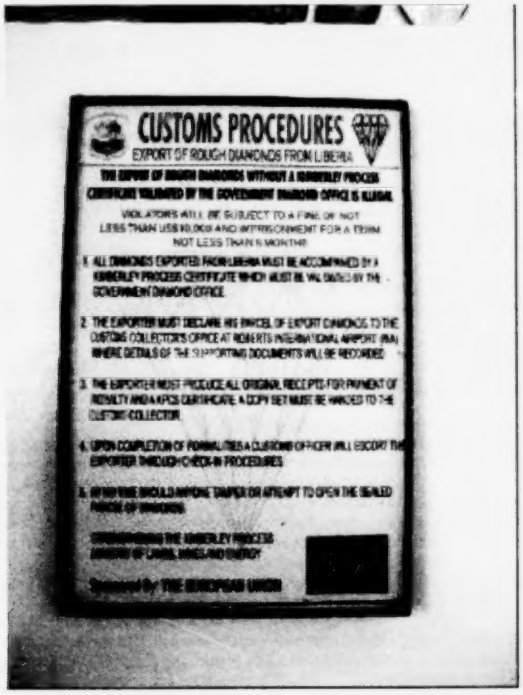
Kimberley Process recommendation	*Timeline*
6. Regional harmonization	
6.1 Work with independent diamond valuators to establish potential linkages with neighbouring countries	L
6.2 Liaise with Diamonds for Development project on regional harmonization of fiscal and legal procedures	L
7. Kimberley Process follow-up	
7.1 Review report accepted	S
7.2 Further review requested	S
7.3 Follow up on Kimberley Process procedures for questionable origin shipments	L
7.4 Alternative internal production recording method developed	L
7.5 Ensure regular internal overview of progress in implementing Kimberley Process recommendations	L

Abbreviations: S = short term, M = medium term, L = long term.

Annex III

Activities to raise awareness of Kimberley Process

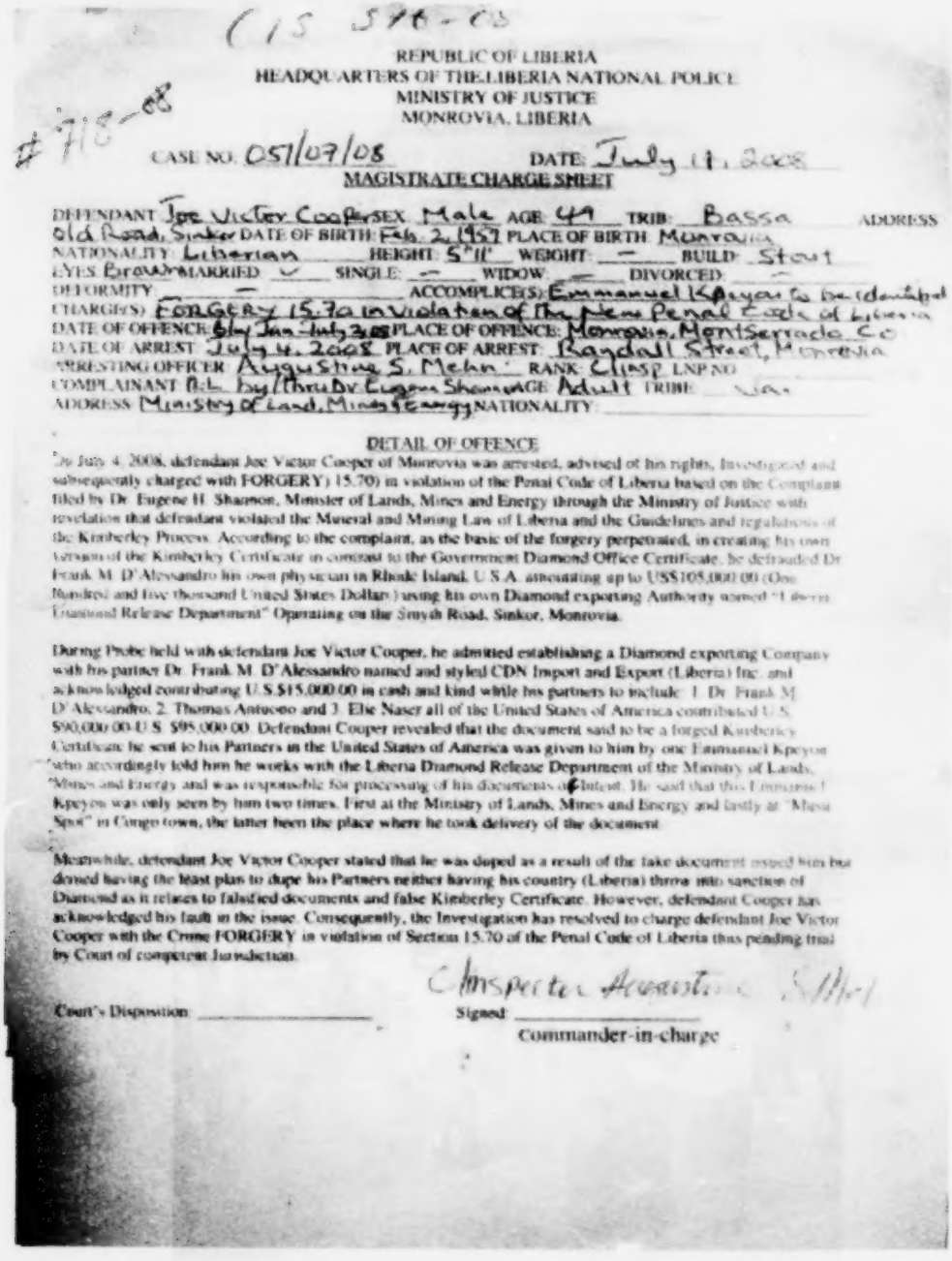
A. Poster in the departures hall at Robertsfield International Airport



B. Workshop for miners, Monrovia, week of 17 November 2008

Annex IV

Magistrate charge sheet for alleged diamond authority impersonator



CIS 516-08

REPUBLIC OF LIBERIA
HEADQUARTERS OF THE LIBERIA NATIONAL POLICE
MINISTRY OF JUSTICE
MONROVIA, LIBERIA

#718-08

CASE NO. 051/07/08 DATE: July 11, 2008

MAGISTRATE CHARGE SHEET

DEFENDANT Joe Victor Cooper SEX: Male AGE: 49 TRIB: Bassa ADDRESS Old Road, Sinkor DATE OF BIRTH: Feb. 2, 1957 PLACE OF BIRTH: Monrovia
NATIONALITY: Liberian HEIGHT: 5'11" WEIGHT: — BUILD: Stout
EYES: Brown MARRIED: ✓ SINGLE: — WIDOW: — DIVORCED: —
DEFORMITY: — ACCOMPLICES: Emmanuel Kpeyon to be identified
CHARGE(S): FORGERY 15.70 in violation of the New Penal Code of Liberia
DATE OF OFFENCE: 3rd Jan - July 3, 08 PLACE OF OFFENCE: Monrovia, Montserrado Co
DATE OF ARREST: July 4, 2008 PLACE OF ARREST: Randall Street, Monrovia
ARRESTING OFFICER: Augustine S. Mehn RANK: Clasp LNP NO:
COMPLAINANT: Rep. by/thru Dr Eugene Shannon AGE: Adult TRIBE: —
ADDRESS: Ministry of Land, Mines & Energy NATIONALITY:

DETAIL OF OFFENCE

On July 4, 2008, defendant Joe Victor Cooper of Monrovia was arrested, advised of his rights, Investigated and subsequently charged with FORGERY) 15.70) in violation of the Penal Code of Liberia based on the Complaint filed by Dr. Eugene H. Shannon, Minister of Lands, Mines and Energy through the Ministry of Justice with revelation that defendant violated the Mineral and Mining Law of Liberia and the Guidelines and regulations of the Kimberley Process. According to the complaint, as the basis of the forgery perpetrated, in creating his own version of the Kimberley Certificate in contrast to the Government Diamond Office Certificate, he defrauded Dr Frank M. D'Alessandro his own physician in Rhode Island, U.S.A. amounting up to US$105,000.00 (One Hundred and five thousand United States Dollars) using his own Diamond exporting Authority named "Liberia Diamond Release Department" Operating on the Smyth Road, Sinkor, Monrovia.

During Probe held with defendant Joe Victor Cooper, he admitted establishing a Diamond exporting Company with his partner Dr. Frank M. D'Alessandro named and styled CDN Import and Export (Liberia) Inc. and acknowledged contributing U.S.$15,000.00 in cash and kind while his partners to include: 1. Dr. Frank M. D'Alessandro, 2. Thomas Antuono and 3. Elie Naser all of the United States of America contributed U.S. $90,000.00 U.S. $95,000.00. Defendant Cooper revealed that the document said to be a forged Kimberley Certificate he sent to his Partners in the United States of America was given to him by one Emmanuel Kpeyon who accordingly told him he works with the Liberia Diamond Release Department of the Ministry of Lands, Mines and Energy and was responsible for processing of his documents on Patent. He said that this Emmanuel Kpeyon was only seen by him two times. First at the Ministry of Lands, Mines and Energy and lastly at "Mesa Spot" in Congo town, the latter been the place where he took delivery of the document.

Meanwhile, defendant Joe Victor Cooper stated that he was duped as a result of the fake document issued him but denied having the least plan to dupe his Partners neither having his country (Liberia) thrust into sanction of Diamond as it relates to falsified documents and false Kimberley Certificate. However, defendant Cooper has acknowledged his fault in the issue. Consequently, the Investigation has resolved to charge defendant Joe Victor Cooper with the Crime FORGERY in violation of Section 15.70 of the Penal Code of Liberia thus pending trial by Court of competent Jurisdiction.

Chief Inspector Accountant Officer I

Court's Disposition: _____ Signed: _____
Commander-in-charge

Annex V

October advertisement for four forest-management contracts

Daily Observer

Wednesday, October 15, 2008 *Page 6e*

REPUBLIC OF LIBERIA
FORESTRY DEVELOPMENT AUTHORITY
P. O. BOX 10-3010
1000 MONROVIA 10, LIBERIA
WEST AFRICA

PUBLIC SERVICE ANNOUNCEMENT

October 10, 2008

In continuation of its drive to re-start logging activities in Liberia, the Forestry Development Authority (FDA) informs interested companies pre-qualified for Forest Management Contracts (FMC) and Plantation Harvesting that bid documents will be available for purchase as of **Wednesday, October 15, 2008** at the FDA Head Office located at Kappa House, Congo Town, and Monrovia, Liberia.

The Four (4) Forest Management Contract areas and One (1) Plantation are as follow:

No.	Contract/Category	Location	Area in Hectare
1.	Forest Management Contract Area "J"	Grand Gedeh & River Gee Counties	253,679 hectare
2.	Forest Management Contract Area "O"	Grand Gedeh & Sinoe Counties	231,466 hectare
3.	Forest Management Contract Area "K"	Nimba, Grand Gedeh & Rivercess Counties	266,910 hectare
4.	Forest Management Contract Area "P"	Grand Kru, Maryland & RiverGee Counties	119,344 hectare
5.	Pine Plantation	Garwula District, Grand Cape Mount County	1,038 hectare

The deadline for submission of the completed bid documents is Friday, November 25, 2008 at 5:00 p.m. Any bid documents coming after this deadline will not be accepted.

The Bid opening will take place on November 26, 2008 at 10:00 a.m. at Corina Hotel, Tubman Boulevard.

Annex VI

Scoring matrix used by the bid evaluation panel

Scoring sheet requirement for scoring Companies for FMCs "A"- 119,240 ha

Financial Factor (75 %)		
A. BID BOND- 30%		
	Categories	Percentages
	A. Manager's check	30%
	B. Letter of credit	**C. Letter of surety**
Signed & Notarized	25%	20 %
Signed & Not Notarized	15%	10%
Notarized &Not Signed	5%	5%
Not Signed & Not Notarized	0%	0%
B. BID PRICE- 45%		
PRICE USD		PERCENTAGES
13.50		45%
10.55		40%
10.95		35%
7.10		30%
4.15		25%
3.27		20%
3.00		15%
ADMINISTRATIVE FACTOR (25%)		
		Percentages
A. Submission of prequalification certificate		5%
B. Submission of bid form		
Signed ,Notarized & submitted on require bid submission standard form		20%
One or more of the above criteria is missing.		5%
All of the above criteria is missing		0%

Annex VII

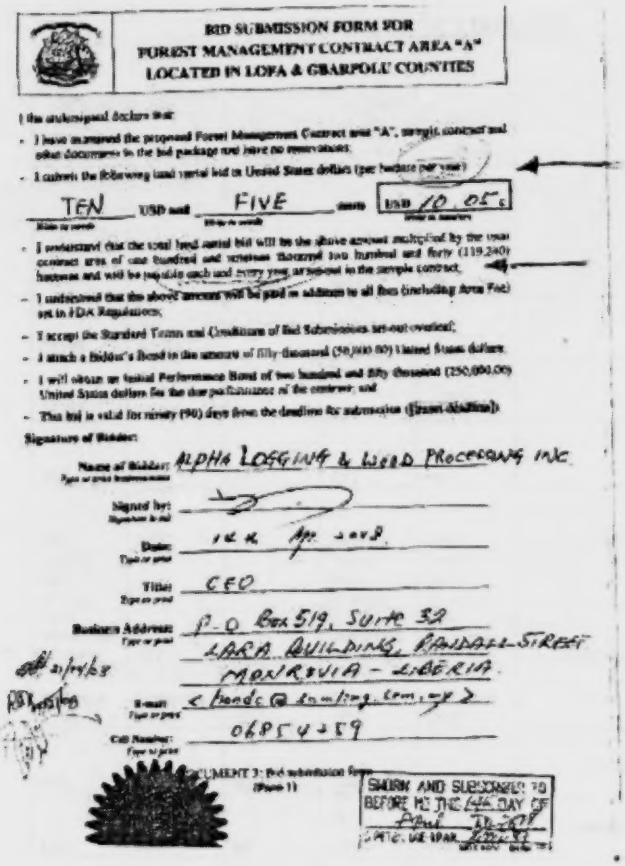
Due diligence summary

Summary of Findings

	FMC "A"			FMC "B" & "C"	
	Alpha	Global Wood	TREE	E.J.&J.	LTTC
Bid price					
FMC "A"	$10.05	$13.50	$10.55		
FMC "B"				$5.06	$8.30
FMC "C"				$5.06	$9.60
Presented valid bid bond	Yes	Yes	Yes	Yes	Yes
Met or exceeded reserve bid price	Yes	Yes	Yes	Yes	Yes
Holds valid prequalification certificate	Bidder must apply to have certificate reissued	Bidder must apply to have certificate reissued	Yes	Yes	Bidder must apply to have certificate reissued
Documents presented have been authenticated	Awaiting GOL	Awaiting GOL	Awaiting GOL	Awaiting GOL	Awaiting GOL
Demonstrated technical capability – equipment	Yes	Partially	Partially	No	No
Demonstrated technical capability – personnel	Partially	Yes	No	Yes	Yes
Demonstrated technical capability – value-added processing	No	Partially	No	No	No
Demonstrated access to sufficient capital	Yes	No	No	No	No
Amount of capital to which the bidder has clear access	$15 mil	$3.5 mil	$2.2 - 3.2 mil	-0-	$2.7 mil. (if bidder wins two FMCs)

Annex VIII

Bid form submitted by a logging company



BID SUBMISSION FORM FOR
FOREST MANAGEMENT CONTRACT AREA "A"
LOCATED IN LOFA & GBARPOLU COUNTIES

I the undersigned declare that:

- I have examined the proposed Forest Management Contract area "A", sample contract and other documents in the bid package and have no reservations;
- I submit the following land rental bid in United States dollars (per hectare per year)

TEN USD and FIVE cents USD 10.05

- I understand that the total land rental bid will be the above amount multiplied by the total contract area of one hundred and nineteen thousand two hundred and forty (119,240) hectares and will be payable each and every year as stipulated in the sample contract;
- I understand that the above amount will be paid in addition to all fees (including Area Fee) set in FDA Regulations;
- I accept the Standard Terms and Conditions of Bid Submission set-out overleaf;
- I attach a Bidder's Bond in the amount of fifty thousand (50,000.00) United States dollars;
- I will obtain an Initial Performance Bond of two hundred and fifty thousand (250,000.00) United States dollars for the due performance of the contract; and
- This bid is valid for ninety (90) days from the deadline for submission (Insert deadline).

Signature of Bidder:

Name of Bidder: ALPHA LOGGING & WOOD PROCESSING INC

Signed by:

Date: 14 th Apr 2008

Title: CEO

Business Address: P.O Box 519, SUITE 32
LARA BUILDING, RANDALL STREET
MONROVIA - LIBERIA

E-mail: <bondc@comlong.com.gr>

Cell Number: 06854259

DOCUMENT 3: Bid submission form (Page 1)

SWORN AND SUBSCRIBED TO BEFORE ME THIS 14th DAY OF April 2008

NOTARY PUBLIC

Annex IX

Letter from the Forestry Development Authority to three forest-management contract winners

REPUBLIC OF LIBERIA
FORESTRY DEVELOPMENT AUTHORITY (FDA)

Kappa House
Elise Saliby Compound
P.O. Box 3010
Monrovia, Liberia
West Africa

Cell# (231)0656407O

CIRCULAR MEMORANDUM # 001

TO: **ALPHA LOGGING & WOOD PROCESSING, INC**
LIBERIA TREE & TRADING CORPORATION
EJ&J INVESTMENT CORPORATION

FROM: Alfred F. Kotlo
NATIONAL AUTHORIZING OFFICER/CONTRACTS

THRU: Jangar S. Kamara
TM/COMMERCIAL FORESTRY

SUBJ: **PRE-FELLING REQUIREMENTS**

DATE: October 8, 2008

Management writes to remind you of the Provision in the contracts recently signed and the Ten Core Regulations relative to the pre-felling requirements which must be executed within the period of sixty (60) days that began as of the Contract signing date (October 6, 2008).

Additionally, the Government of Liberia (GOL) is in a dire need to commence commercial logging for the purpose of providing job opportunities for the many war ravaged Liberians and reduce poverty in the country.

To buttress this effort, the President of Liberia, Madam Ellen Johnson Sirleaf knowing the importance of the Forestry Sector, has issued **Executive Order # 13** that gives Duty Fee Privilege to all pre-qualified companies including Contracts holders for the period of one (1) year which ends on December 31, 2008

Against this backdrop, the following pre-felling requirements are to be executed on or before the 6th of December, 2008.

They include:

ACTIVITIES	TIMELINE	AMOUNT (US$)
Area fee	Payable to the Liberian Government within thirty (30) days as of the contract signing date	2.50/ha x total contract area
Administrative fee	Payable to the Liberian government within thirty (30) days as of the contract signing date	1,000.00 per contract area.
Land Rent Bid	Payable to the Liberian government within thirty (30) days as of the contract signing date	The land rent bid x total contract area (pay only once in the contract life span)
Logging equipment	Arrival in Liberia within sixty (60) days as of the contract signing date	
Submission of Forest Management Plan a) Annual Operational Plan (this include stock maps of blocks enumerated) b) Environmental Management Plan	Within sixty(60) days as of the Contract signing date	
Posting of initial Performance Bond	Payable to the Liberian Government within thirty (30) days as of the contract signing date	a) 150.00.00 for contract area less then 100,000 hectares b) 250,000.00 for contact area greater than 100,000 hectares.
Enter into Social Agreement with affected communities	Within sixty (60) days of contract signing date	

Please take note of these timelines to avoid future embarrassment.

Kind regards.

CC: MD
AMD/Adm. & Finance
GEMAP
File

Annex X

Petition to stop search warrants

REPUBLIC OF LIBERIA)
MONTSERRADO COUNTY)

IN THE CIVIL LAW COURT, SIXTH JUDICIAL CIRCUIT, MONTSERRADO COUNTY, SITTING IN ITS SEPTEMBER TERM, A. D. 2008.

BEFORE HIS HONOUR: YUSSIF D. KABA.....ASSIGNED CIRCUIT JUDGE

Filed Nov 7 2008, at 2:50 pm. Clerk of Court

PLC Investments Ltd., by and thru its Incorporator, Gray T. Harmon, a Corporation organized under the Laws of the Republic of Liberia, Emanuel L. Shaw, II., and Benoni Urey, all of the City of Monrovia, Liberia.....**PETITIONERS**

VERSUS

SUMMARY PROCEEDINGS

The Ministry of Justice and all of its Authorized Representatives, to include Abraham Tamba Gborie, Assistant County Attorney for Montserrado County thereof, His Honour M. Wanda S. Sondah, Associate Magistrate, Monrovia City Court, Temple of Justice, the Liberian Bank for Development and Investment (LBDI) and ECOBANK Liberia Ltd., (ECOBANK), Financial Institutions, operating under the Laws of the Republic of Liberia, by and thru their Authorized Officers, all of the City of Monrovia, Liberia.....**RESPONDENTS**

GROWING OUT OF:

APPLICATION FOR SEARCH WARRANT PURSUANT TO UNITED NATIONS SECURITY COUNCIL RESOLUTION 1532, BY AND THROUGH THE MINISTRY OF JUSTICE OF THE REPUBLIC OF LIBERIA

PETITIONERS' PETITION

AND NOW COME PETITIONERS, and most respectfully pray Your Honour for the issuance of Summary Proceedings and Stay Order for against the above named Respondents, and showeth the legal and factual reasons as follows, to wit:

1. That Co-Petitioner, PLC Investments Ltd., is a Liberian Corporation duly incorporated by Mr. Gray T. Harmon since July 6, 1989, as can be morefully seen from copy of its Articles of Incorporation attached hereto to form a cogent part of this Petition as Exhibit "P/1".

(2) ...12

2. That Co-Petitioners, Emanuel L. Shaw, II., and Benoni Urey are Citizens of the Republic of Liberia, lawfully operating and abiding by the laws within and of the Republic of Liberia.

3. That based on a search warrant issued from the Monrovia City Court, a copy of which is marked and attached as Exhibit "P/2" and by Co-Respondent Ministry of Justice's own admission, the search warrant, subject of these proceedings, is pursuant to Untied Nations Security Council Resolution 1532 which seeks to freeze the assets of former President Charles Taylor, his immediate family members, senior officials of former President Taylor's government and other close allies or associates as designated by the Committee. See copy of United Nations Security Council Resolution 1532, March 12, 2004, attached hereto and marked Exhibit "P/3" to form a part hereof.

4. That further to Count Two (2) hereof, the Committee designated a list of individuals as can be more clearly seen from Press Release SC/8123 dated June 17, 2004, attached hereto and marked Exhibit "P/3" to form an integral part hereof. Co-Petitioner, PLC Investments Ltd., respectfully requests Your Honour to take Judicial Notice that it is not designated by the Committee for the freezing of its assets, as a consequence of which, Respondent having admitted that Respondent is acting pursuant to United Nations Security Council Resolution 1532 and the Committee not having designated Co-Petitioner, PLC Investments Ltd., for freezing of its assets, Respondents are proceeding in a manner contrary to known and accepted legal practices and procedures. Co-Petitioner, PLC Investments Ltd., therefore prays for the issuance of Summary Proceedings against the Respondents.

5. Petitioners say further that United Nations Security Council Resolution 1532 has not been ratified by the National Legislature of the Republic of Liberia and consequently does not form a part of the body of laws of this jurisdiction. Accordingly, and although the Co-Respondent Magistrate has not the authority to issue search warrants, Co-Respondent Ministry of Justice by its own admission having caused the issuance of the said warrant, subject to these proceedings, pursuant to United Nations Security Council Resolution 1532, which is not a law in this jurisdiction, the said search warrant is without legal basis and the Co-Respondent Magistrate has exceeded its jurisdiction for which Summary Proceedings lie to prevent and undo what has been illegally done and Petitioners so pray.

.../3

6. That further to Count Four (4) hereof, Petitioner say that in the case Benoni Urey et al. versus That National Transitional Government of Liberia, in which the then Minister of Justice sought to enforce United Nations Security Council Resolution 1532 by ordering the seizure of properties of the then Petitioners, the Honourable Supreme Court granted The Alternative Writ of Prohibition and prohibited the Respondents from enforcing said Resolution, other than by due process of law and procedure as enshrined in the Constitution and Statutory laws of Liberia, meaning simply that the said United Nations Security Council Resolution 1532, not having been enacted into law by the National Legislature of the Republic of Liberia, cannot be enforced. **Opinions of the Supreme Court**, March Term 2005. Petitioner submits that as the Supreme Court ruled then, Your Honour, based on the principle of stare decisis, is obliged to grant Petitioner's herein Petition for Summary Proceedings against the Respondents and Petitioner so prays. Copy of the said Opinion referred to herein is hereto attached as Exhibit "P/4".

7. The Petitioners say further that the laws extant within this jurisdiction expressly detail the property to be searched or seized. Petitioners respectfully request Your Honour to take Judicial Notice of Respondent's Search Warrant which seeks to seize "All financial records of Petitioners, who are believed to be closed allies and associates as designated by the Committee". Petitioners' financial records are not now nor have they been used as a means of committing a criminal offense. Co-Respondent Magistrate has therefore exceeded his jurisdiction for which Summary Proceedings lie to prevent and Petitioner so prays.

8. That Petitioners say further that the privilege against self incrimination is enshrined in the Constitution of this Country. Co-Respondent Ministry of Justice by seeking to search and seize Petitioners' financial records for the period July 1, 2003 to the present to determine whether a crime has been committed is tantamount to having Petitioners produce evidence against itself which is a gross violation of the Constitution of this Country for which Summary Proceedings lie to prevent and undo what has illegally been done and Petitioners so pray.

9. Petitioners say that Summary Proceedings will lie and give relief where a Respondent in the Court below is proceeding in a manner contrary to known and accepted legal practices and procedures.

10. Petitioners further say Summary Proceedings will also lie where a Respondent has or is exceeding exceeded its authority, in violation of the Constitution of the Republic of Liberia.

11. Petitioners also say that Summary Proceedings will undo that which has not been legally done.

.../4

12. That Petitioners say further that the Respondents having: (a) exceeded their authority by illegally attempting to enforce United Nations Security Council Resolution 1532 which has not been ratified into law by the Legislature; (b) further exceeded his jurisdiction by also illegally attempting to seize Petitioners' financial records which is not property subject to search and seizure as defined by the law extant within this jurisdiction; and (c) proceeded in a manner contrary to known and accepted legal practices and procedures by illegally attempting to force Petitioners to incriminate themselves by turning over its financial records in to determine whether a crime has been committed is gross contravention of the Constitution of this Country. Summary Proceedings is the proper remedy to order the Respondents to refrain from exceeding their authority as well as to undo that, which has been illegally done by ordering the return to Petitioners of all of the Petitioners' financial records obtained pursuant to the search warrant, subject of these proceedings or to refrain from carrying out the search and seizure.

13. That Co-Respondents, LBDI and Ecobank, are included herein, so as to bring them under the jurisdiction of this Court, in order to give effect to the Writ issued out of these Summary Proceedings to be served upon them and that any judgment will conclude them so as to prohibit and restrain them, along with the other Respondents, from perpetrating any illegal acts, especially violating the Constitutional rights of the Petitioners.

WHEREFORE, and in view of the foregoing, Petitioners pray that Your Honour will cause the Writ for Summary Proceedings to be issued and served on the within named Respondents commanding them to stay all further proceedings, citing them to file their Returns at a time to be designated by Your Honour, and to show cause why the prayer of the Petitioners should not be granted and to include a clause in the said Writ commanding that the matter revert to the status quo ante, if any action has been taken pursuant to the said illegal Search Warrant and that Your Honour will rule the costs of these proceedings against the Respondents, granting unto the Petitioners all other and further relief as in this case will be deemed, just and equitable.

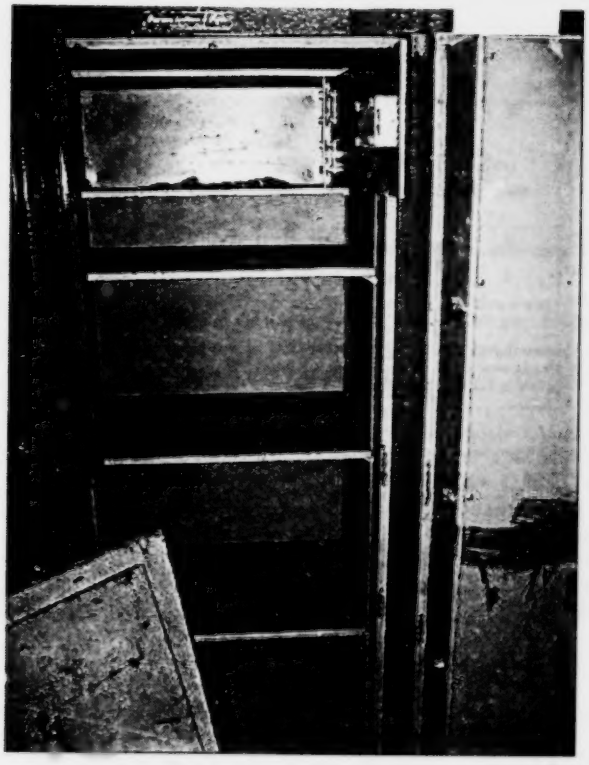
Respectfully submitted,
The above named PETITIONERS
By and thru their Counsel:
JONES & JONES
P. O. BOX 1891, RANDALL STREET,
MONROVIA, LIBERIA

ATTORNEYS & COUNSELLORS-AT-LAW

Dated this 7th day of November, A. D. 2008.

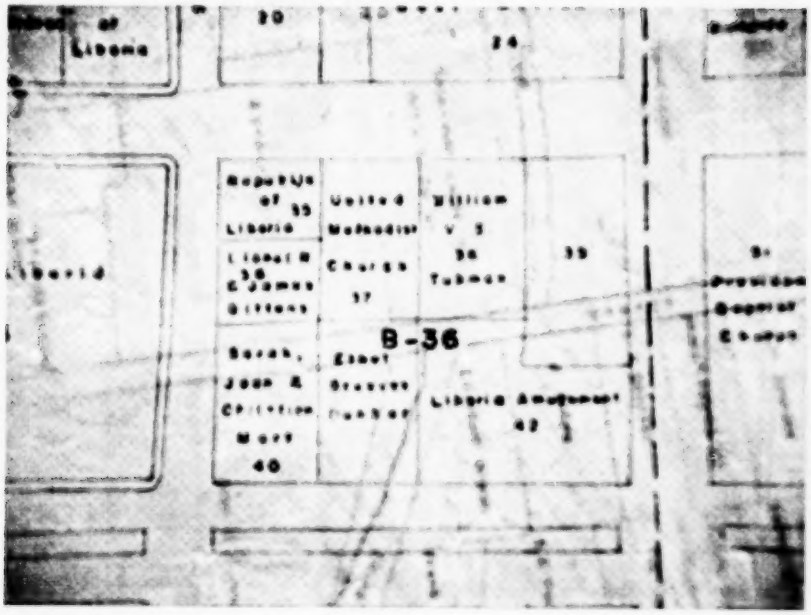
Annex XI

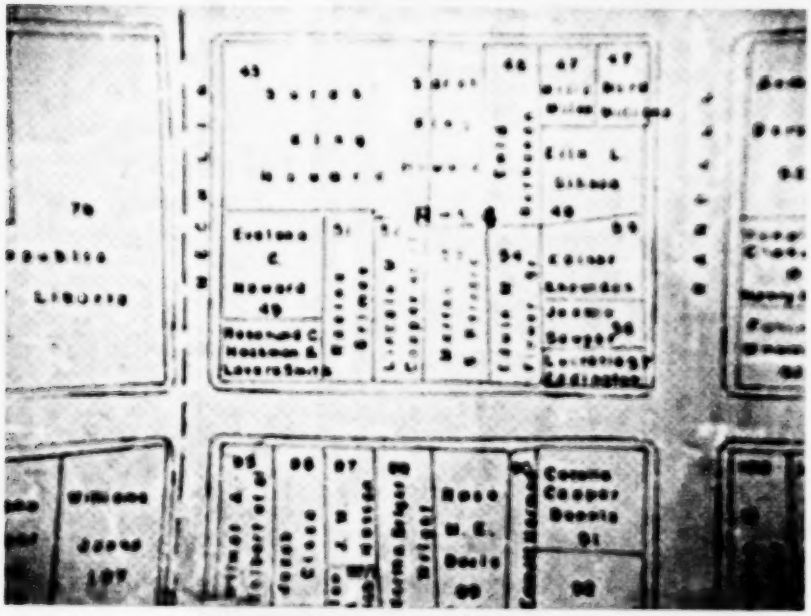
Photographs of the vault at the former Tradevco site



Annex XII

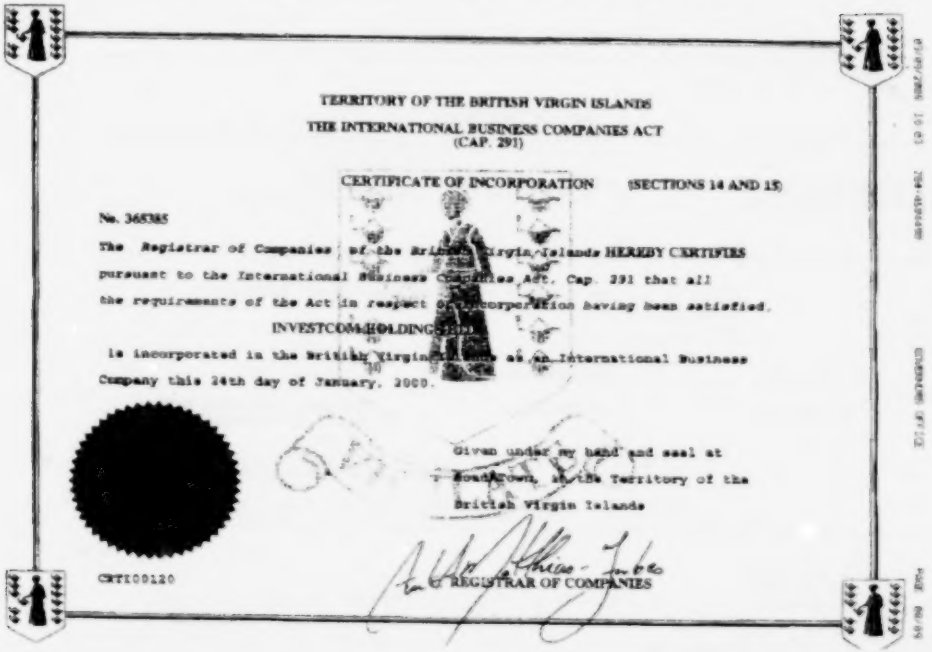
Land maps from Paynesville City Hall





Annex XIII

British Virgin Islands incorporation documents



TERRITORY OF THE BRITISH VIRGIN ISLANDS

THE INTERNATIONAL BUSINESS COMPANIES ACT
(CAP. 291)

CERTIFICATE OF INCORPORATION (SECTIONS 14 AND 15)

No. 365385

The Registrar of Companies of the British Virgin Islands HEREBY CERTIFIES pursuant to the International Business Companies Act, Cap. 291 that all the requirements of the Act in respect of incorporation having been satisfied,

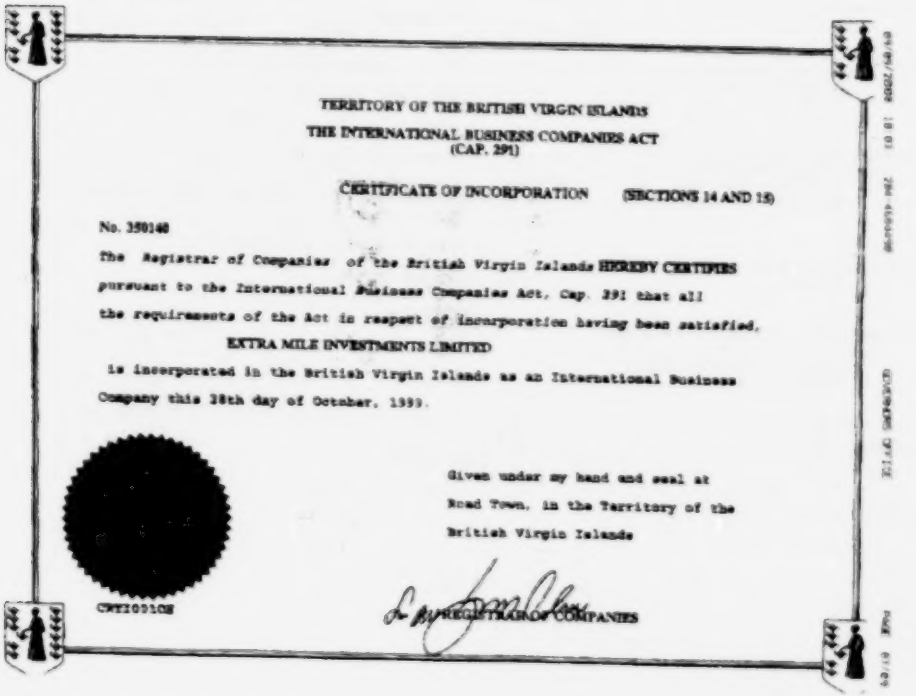
INVESTCOM HOLDINGS [illegible]

is incorporated in the British Virgin Islands as an International Business Company this 24th day of January, 2000.

Given under my hand and seal at Road Town, in the Territory of the British Virgin Islands

CMI100120

REGISTRAR OF COMPANIES



TERRITORY OF THE BRITISH VIRGIN ISLANDS

THE INTERNATIONAL BUSINESS COMPANIES ACT
(CAP. 291)

CERTIFICATE OF INCORPORATION (SECTIONS 14 AND 15)

No. 350140

The Registrar of Companies of the British Virgin Islands HEREBY CERTIFIES pursuant to the International Business Companies Act, Cap. 291 that all the requirements of the Act in respect of incorporation having been satisfied,

EXTRA MILE INVESTMENTS LIMITED

is incorporated in the British Virgin Islands as an International Business Company this 28th day of October, 1999.

Given under my hand and seal at Road Town, in the Territory of the British Virgin Islands

CMI100108

REGISTRAR OF COMPANIES

Annex XIV

Wire transfer record for Lonestar

Message Preparation - Message Report

SWIFT

Message Identifier

Message Preparation Application:
Unique Message Identifier:

Message Modification
I SCBLGB2LXXX 103 LBDI-3012808 080128

Message Header

FIN MT103 FIN MT 103 - Single Customer Credt Transfer *
Priority: Normal
Monitoring: None
Sender:
Unit: LBDE1
Institution: LBDELALUCCX
Receiver:
Institution: SCBLGB2LXXX STANDARD CHARTERED BANK (ALL U.K. OFFICES) LONDON GB

Possible Duplicate Emission

Message Text

20: Sender's Reference
LBDI-3012808
23B: Bank Operation Code
CRED
26T: Transaction Type Code
32A: Val Dte/Curr/Interbnk Settld Amt
080128
USD
1000000, [US DOLLAR]
1000000,
33B: Currency/Instructed Amount
USD
1000000, [US DOLLAR]
1000000,
36: Exchange Rate
50: K - Ordering Customer-Name & Address
LONESTAR COMM. CORP.
CONGO TOWN - TEL.: 06 500000
MONROVIA, LIBERIA
A/C NO.: 0221215469001
51A: Sending Institution - BIC
52: A - Ordering Institution - BIC
/0101250464950 USD
LBDELRLN
57: A - Account With Institution - BIC
CITYLBBI
59: Beneficiary Customer-Name & Addr
/0-200039-106
INVESTCOM GLOBAL, LTD.
BEIRUT, LEBANON

Amt. Debited: $1,000,178.00
Bal aftr Debit: $255,239.26cr
Date Debited: 01/28/08
Com. Charged: $175.00 mj

LIBERIAN BANK FOR DEVELOPMENT AND INVESTME
TMT

MONROVIA LR

CITIBANK BEIRUT

BEIRUT LB

01/28

Mon Jan 28 14:18:45 2008

Annex XV

Investigative report on ammunition smuggling

REPUBLIC OF LIBERIA
HEADQUARTERS OF THE LIBERIA NATIONAL POLICE
CRIMES SERVICES DEPARTMENT
GANTA POLICE DETAIL/NCPD/MOJ

To : C/Insp. Wue G. Gaye
General CSD Commander/NCPD

From : Det. Washington T. Quaweh
CSD Commander, Ganta Police Detail

Date : August 7, 2008

Subject : INVESTIGATIVE REPORT REFERENCE TO A SMUGGLING/ ILLEGAL POSSESSION OF CONTRABAND CASE INVOLVING SUSPECT NORMAL FREEMAN ON AUGUST 6, 2008:

Sir:

Historically, on Wednesday August 6, 2008 at 16:30 hrs, suspect Normal Freeman, age 38, Tribe Vai/Kpelleh, resident of Kakata was arrested at Ganta Guinea main Border with (20)twenty parks of single barrel Gun shots while enroute from Guinea.

During the Police/CSD preliminary investigation conducted with suspect Normal Freeman at the Police Charged of Quarters, she explained to the investigation that she bought the (20)twenty parks of single barrel shots from Guinea with the amount of (250.00USD)two hundred fifty United States Dollars and was carrying same to Grand Gedeh County in the hunting bush for sale. She further alleged that this is her first time to engage herself in such of business.

In view of the above circumstances, coupled with the admission of suspect Normal Freeman, this investigation is left with no option, but charged Suspect Normal Freeman with the crime SMUGGLING/ILLEGAL POSSESSION OF CONTRABAND (SINGLE BARROL SHOTS) pending court's trial.

This is your official awardness and onward transmission.

With professional regards.

Respectfully submitted,

CC: Co-Ganta
" R-7
" File